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Volume VIII

Eastern Europe; Soviet Union; Eastern Mediterranean

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PREFACE

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. The volumes in the series include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States together with appropriate materials concerning the facts which contributed to the formulation of policies. Documents in the files of the Department of State are supplemented by papers from other government agencies involved in the formulation of foreign policy.

The basic documentary diplomatic record printed in the volumes of the series *Foreign Relations of the United States* is edited by the Office of the Historian, Bureau of Public Affairs, Department of State. The editing is guided by the principles of historical objectivity and in accordance with the following official guidance first promulgated by Secretary of State Frank B. Kellogg on March 26, 1925.

There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.

b. To condense the record and avoid repetition of needless details.

c. To preserve the confidence reposed in the Department by individuals and by foreign governments.

d. To avoid giving needless offense to other nationalities or individuals.

e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternative presented to the Department before the decision was made.

Documents selected for publication in the *Foreign Relations* volumes are referred to the Department of State Classification/Declassification Center for declassification clearance. The Center reviews

the documents, makes declassification decisions, and obtains the clearance of geographic and functional bureaus of the Department of State, as well as of other appropriate agencies of the government.

The Center, in coordination with geographic bureaus of the Department of State, conducts communications with foreign governments regarding documents or information of those governments proposed for inclusion in *Foreign Relations* volumes.

David M. Baehler prepared the compilations on Eastern Europe and the Balkan Pact; Evans Gerakas those on Greece, Turkey, and Cyprus. The compilations on Trieste and Yugoslavia were done by Ronald D. Landa. Charles S. Sampson prepared the compilation on Finland, and I did the one on the Soviet Union. John P. Glennon assisted in final preparation of the volume. The Documentary Editing Section of the Publishing Services Division (Paul M. Washington, Chief) performed technical editing under the supervision of Rita M. Baker. The Twin Oaks Indexing Collective prepared the index.

WILLIAM Z. SLANY
The Historian
Bureau of Public Affairs

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LIST OF ABBREVIATIONS AND SYMBOLS

EDITOR'S NOTE: This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

A, Office of the Assistant Secretary of State for Personnel and Administration
AD/S, Office of the Assistant Director for Supply, Mutual Security Agency
AEC, Atomic Energy Commission
AFN, Armed Forces Network
AFP, Agence France Press
AFSOUTH, Allied Forces, Southern Europe
AFT, Allied Forces in Trieste
AKEL, Anorthotiken Komma Ergazomenou Laou (Progressive Party of the Working People), the Cypriot Communist Party
AMAS, American Military Assistance Staff
AMG, Allied Military Government
ARA, Bureau of Inter-American Affairs, Department of State
ATDA, Agricultural Trade Development and Assistance Act
AW, atomic warfare
B/P, balance of payments
B-29, U.S. four-engine bomber-type aircraft
BKI, Bloku Kombetar Independent, an Albanian *émigré* organization with pro-Italian leanings
BNA, Office of British Commonwealth and Northern European Affairs, Department of State
BW, biological warfare
C, Office of the Counselor, Department of State
C-47, U.S. twin-engine transport aircraft
CA, circular airgram; Office of Chinese Affairs, Department of State
Care, Cooperative for American Remittances
CC, Central Committee
CCP, Czech Communist Party
CG/COCOM, Coordinating Committee of the Paris Consultative Group of nations working to control export of strategic goods to Communist countries
Cheka, *see* VCHK
CIA, Central Intelligence Agency
CIC, Commander in Chief
CINCEUR, Commander in Chief, Europe
CINCFE, Commander in Chief, Far East
CINCNELM, Commander in Chief, Naval Forces, Eastern Atlantic and Mediterranean
CINCLANT, Commander in Chief, Allied Forces, North Atlantic
CINCSOUTH, Commander in Chief, Allied Forces, Southern Europe
CINCUNC, Commander in Chief, United Nations Command in Korea
COCOM, Coordinating Committee of the Paris Consultative Group of nations working to control export of strategic goods to Communist countries
Cominform, Communist Information Bureau
COMLANDSOUTH, Commander, Allied Land Forces, Southern Europe
Conf., confidential
ConGen, Consul(ate) General
CP, command post; Communist Party
CPSU, Communist Party of the Soviet Union
CPX-2, Command Post Exercise-2
CPY, Communist Party of Yugoslavia
CSA, Czechoslovak Airlines
CW, chemical warfare
CY, calendar year
D-day, day on which an operation commences or is to commence
DefMin, Defense Minister
Del, Delegation

Delga, series indicator for telegrams from the United States Delegation at the United Nations General Assembly
Depcirtel, Department of State circular telegram
DepFonMin, Deputy Foreign Minister
DepMinDef, Deputy Minister of Defense
Deptel, Department of State telegram
desp, despatch
DMPA, Defense Materials Procurement Agency
DMS, Director for Mutual Security
DRC(G), Defector Reception Center (Germany)
DRS, Division of Research for the Soviet Union and Eastern Europe, Department of State
DS, Division of Protective Services, Department of State
E, Assistant Secretary of State for Economic Affairs
E/ED, Economic Affairs, Investment and Economic Development Staff, Department of State
ECA, Economic Cooperation Administration
ECOSOC, United Nations Economic and Social Council
EDA, Eniaia Demokratiki Aristera (United Democratic Left), a Greek political party
EDAC, Economic Defense Advisory Committee
EDC, European Defense Community
EE, Office of Eastern European Affairs, Department of State
Embdesp, Embassy despatch
EPEK, Ethnik Prodeftiki Enosis Kendrou (National Progressive Union of the Center), a Greek political coalition
EPS, Emergency Procurement Service
EPU, European Payments Union
ERP, European Recovery Program
EUR, Bureau of European Affairs, Department of State
EUR/P, Public Affairs Adviser, Bureau of European Affairs, Department of State
Excon, series indicator for telegrams concerning the work of the Paris Consultative Group or its subsidiary bodies
EXIM Bank, Export-Import Bank
EWP, Emergency War Plan
FCY, Federation of Yugoslav Communists
FE, Bureau of Far Eastern Affairs, Department of State
FEAF, US Air Force, Far East
FEC, Far Eastern Commission; Far East Command
FNRJ, Federated National Republic of Yugoslavia
FO, Foreign Office
FOA, Foreign Operations Administration
FOA/W, headquarters of the Foreign Operations Administration in Washington
FonAff, Foreign Affairs
FonMin, Foreign Minister
FonOff, Foreign Office
FonSec, Foreign Secretary
FPRY, Federal People's Republic of Yugoslavia
FTT, Free Territory of Trieste
FY, fiscal year
FYI, for your information
G, Office of the Deputy Under Secretary of State
G–2, United States Army general staff section dealing with intelligence at the divisional or higher level
Gadel, series indicator for telegrams to the United States Delegation at the United Nations General Assembly
GAF, Greek Armed Forces
GARIOA, Government Assistance and Relief in Occupied Areas
GMT, Greenwich Mean Time
GNA, Grand National Assembly
GTI, Office of Greek, Turkish, and Iranian Affairs, Department of State
H, Office of the Assistant Secretary of State for Congressional Relations
HAFSE, Headquarters, Allied Forces, Southern Europe
HMG, His (Her) Majesty's Government
HQ, headquarters
HWP, Hungarian Workers Party
IAC, Intelligence Advisory Committee
IAD, Division of Acquisition and Distribution, Office of Intelligence, Department of State
IBRD, International Bank for Reconstruction and Development
IBS/NY, International Broadcast Service, USIA, New York
ICEM, Intergovernmental Committee for European Migration
ICRC, International Committee of the Red Cross
IDEA, Ieros Desmos Ellenon Axionmatikon (Sacred Bond of Greek Officers)

IIA, International Information Administration
IMF, International Monetary Fund
Infotel, information telegram from the Department of State to specified posts
INR, Office of the Director of Intelligence and Research (from 1957), Department of State
IO, Bureau of International Organization Affairs, Department of State
IPO, Office of Policy and Plans, USIA
ITDA, Integrated Tunnel Diode Amplifier
JAMMAT, Joint American Military Mission for Aid to Turkey
JCS, Joint Chiefs of Staff
JSSC, Joint Strategic Survey Committee
JUSMAG(G), Joint United States Military Aid Group (Greece)
Kentel, series indicator for messages from Ambassador George F. Kennan to the Secretary of State only
KGB, Committee on State Security (Kommissiya Gosudarstvennyi Bezobastnosti) (Soviet Secret Police, from 1954)
KKE, Kommounistikon Komma Ellados (Communist Party of Greece)
L, Office of the Legal Adviser, Department of State
L/C, Assistance Legal Adviser for International Claims
L/EUR, Assistant Legal Adviser for European Affairs, Department of State
LOC, line of communication
LSO, Labor Service Organization
MAAG, Military Assistance Advisory Group
MAS, Military Agency for Standardization
MDAP, Mutual Defense Assistance Program
ME, Middle East
MEC, Middle East Command
MEDO, Middle East Defense Organization
MG, Military Government
MGB, Ministry for State Security of the Soviet Union (Ministerstvo Gosudarstvennoi Bezopasnosti) (Soviet Secret Police, 1947–1953)
MI–6, British intelligence organization
MIG, Soviet fighter aircraft
MRC, Munich Radio Center
MRP, Mouvement Républicain Populaire (French political party)
MSA, Mutual Security Agency (Act)
MSA/G, Mutual Security Agency, Greece
MSA/W, Mutual Security Agency, Washington
MSI, Movimento Sociale Italiano (Italian Social Movement)
MSP, Mutual Security Program
Musto, series indicator for telegrams from the Mutual Security Agency in Washington to its missions abroad
MVD, Ministry of Interior Affairs (Ministerstvo Vnutrennykh Del') of the Soviet Union
NAC, National Advisory Council on International Monetary and Financial Problems; North Atlantic Council
NAT(O), North Atlantic Treaty (Organization)
NCFE, National Committee for Free Europe
NCO, noncommissioned officer
NDGS, National Defense General Staff
NEA, Bureau of Near Eastern, South Asian, and African Affairs, Department of State
NEP, new economic policy, pursued in the Soviet Union in the early 1920s
niact, night action, communications indicator requiring attention by the recipient at any hour of the day or night
NIE, National Intelligence Estimate
NKVD, People's Commissariat for Internal Affairs (Narodnyi Kommissariat Vnutrennykh Del')
Noforn, no foreign nationals (dissemination indicator)
NSC, National Security Council
O, Office of the Under Secretary of State for Administration
OCB, Operations Coordinating Board
OEEC, Organization for European Economic Cooperation
OFD, Office of Financial and Development Policy, Department of State
OGPU, Unified State Political Administration (Soviet Secret Police, 1924–1934)
OIR, Office of Intelligence Research, Department of State
OPC, Office of Policy Coordination, Central Intelligence Agency
OSD, Office of the Secretary of Defense
OSP, offshore procurement
P, Bureau of Public Affairs, Department of State
PA, procurement authorization

PICMME, Provisional Intergovernmental Committee on Movement of Migrants from Europe
PL, Public Law
POC, Peace Observation Commission; Psychological Operations Coordinating Committee (interdepartmental)
POL, petroleum, oil, and lubricants
PolAd, Political Adviser
Polto, series indicator for telegrams from the Office of the United States Permanent Representative to the North Atlantic Council
POW, prisoner of war
PPC, Polish Political Council
PPS, Policy Planning Staff, Department of State
PriMin, Prime Minister
PSB, Psychological Strategy Board
PZPR, Polish United Workers' Party
R, Office of the Special Assistant for Intelligence, Department of State
RE, Office of European Regional Affairs, Department of State
reftel, reference telegram
Repto, series indicator for telegrams from the United States Special Representative in Europe, at Paris, to the Department of State
RFE, Radio Free Europe
RIAS, Rundfunk im Amerikanischen Sektor (Radio in the American Sector of Berlin)
RSFSR, Russian Socialist Federated Soviet Republic
S, Office of the Secretary of State
S/MSA, Special Assistant to the Secretary of State for Mutual Security Affairs
S/P, Policy Planning Staff, Department of State
S/S, Executive Secretariat, Department of State
SAC, Strategic Air Command
SACEUR, Supreme Allied Commander, Europe
SC, Security Council
SCA, Bureau of Security and Consular Affairs, Department of State
SecDef, Secretary of Defense
SecGen, Secretary-General
SecState, Secretary of State
Secto, series indicator for telegrams to the Department of State from the Secretary of State (or his delegation) at international conferences
SG, Standing Group
SHAEF, Supreme Headquarters, Allied Expeditionary Force (1944–1945)
SHAPE, Supreme Headquarters, Allied Powers, Europe
SIS, British Secret Intelligence Service
SOA, Office of South Asian Affairs, Department of State
SOF, status of forces
SRE, United States Special Representative in Europe
SS, submarine
SY, Division of Security, Department of State
TA, technical assistance
TASS, Telegrafnoe Agenstvo Sovetskovo Soiuza (Telegraphic Agency of the Soviet Union)
TC, Division of Language Services, Department of State
Telac, series indicator for telegrams to Secretary of State Acheson while away from Washington
TL, Turkish lira
Topol, series indicator for telegrams to the United States Permanent Representative to the North Atlantic Council
Tosec, series indicator for telegrams from the Department of State to the Secretary of State (or his delegation) at international conferences
Toufso, series indicator for telegrams to the United States Information Agency from its posts abroad
Tousi, series indicator for telegrams to the United States Information Agency from its posts abroad
Tridel, tripartite delegate (delegation)
TRUST, Trieste, United States troops
TU-4, Soviet bomber aircraft
U, Office of the Under Secretary of State
U/OC, Operations Coordinator, Office of the Under Secretary of State
U/SA, Science Adviser, Office of the Under Secretary of State
UDB(A), Uprava drzavne bezbednosti (Yugoslav Administration of State Security)
UN, United Nations
UNA, Bureau of United Nations Affairs, Department of State
UNGA, United Nations General Assembly
UNO, United Nations Organization
UNP, Office of United Nations Political and Security Affairs, Department of State
UNRRA, United Nations Relief and Rehabilitation Administration

UNSCOB, United Nations Special Committee on the Balkans
UP, United Press
ur, your
urtel, your telegram
USAF, United States Air Force
USA, United States Army
USAF, United States Air Force
USAFE, United States Air Force, Europe
USAREUR, United States Army, Europe
USIA, United States Information Agency
USIE, United States Information and Educational Exchange Program
USIS, United States Information Service
USLO, United States Liaison Office
USN, United States Navy
USOM, United States Operations Mission
USPolAd, United States Political Adviser
USRO, United States Mission to the North Atlantic Treaty Organization and European Regional Organizations
VCHK, All-Russian Extraordinary Commission for Fighting Counter-Revolution and Sabotage or "Cheka", the Soviet Secret Police, 1917–1922
VFC, Volunteer Freedom Corps
VG, Venezia Giulia
VGPF, Venezia Giulia Police Force
VO, Visa Office, Department of State
VOA, Voice of America
VOA/NY, Voice of America at New York
WE, Office of Western European Affairs, Department of State
Weeka, weekly, interagency summary analysis from United States diplomatic missions
WEU, Western European Union
WGS, Working Group (Stalin) of the Psychological Strategy Board
WHO, World Health Organization

LIST OF PERSONS

EDITOR'S NOTE: The identification of the persons in this list is generally limited to circumstances and positions under reference in this volume. Historical persons alluded to, officials noted in documents but not actively participating in substantive discussions, and individuals only mentioned in passing are not identified here. All titles and positions are American unless there is an indication to the contrary. Where no dates are given, the official held the position throughout the period covered by this volume.

ACHESON, Dean, Secretary of State, January 19, 1949–January 20, 1953.

ACHILLES, Theodore C., Vice Deputy Representative on the North Atlantic Council from October 2, 1950; Deputy Chief of Mission of the Embassy in France from April 1, 1952; Chief of Mission from September 18, 1952; Minister from October 25, 1954.

ADENAUER, Dr. Konrad, Chancellor of the Federal Republic of Germany from September 1949; Minister of Foreign Affairs of the Federal Republic from March 1951.

ALDRICH, Winthrop W., Ambassador to the United Kingdom, February 20, 1953–February 1, 1957.

ALLEN, George V., Ambassador to Yugoslavia, January 25, 1950–March 11, 1953.

ALLEN, Richard, Chief of the Mutual Security Mission to Yugoslavia, December 12, 1951–November 1952.

ALLEN, Ward P., Special Assistant on United Nations Affairs, Bureau of European Affairs, Department of State, August 6, 1950–November 21, 1951, thereafter International Relations Officer.

ANDERS, General Wladyslaw, Polish *émigré* leader.

ANDERSON, Robert B., Deputy Secretary of Defense, May 3, 1954–August 4, 1955.

ANDREYEV, Andrey Andreyevich, Deputy Chairman of the U.S.S.R. Council of Ministers and Chairman of the Council for Collective Farm Affairs (under the U.S.S.R. Council of Ministers), 1946–October 1952; member of the Politburo of the Communist Party of the Soviet Union until October 1952.

ARMSTRONG, W. Park, Special Assistant for Intelligence, Department of State, from June 1950.

ARNOLD, Major General William H., Chief of the Joint American Military Mission for Aid to Turkey until 1953.

BARBOUR, Walworth, Director of the Office of Eastern European Affairs, Department of State, from July 25, 1951, until May 2, 1954; thereafter Deputy Assistant Secretary of State for Mutual Security Affairs.

BATTLE, Lucius D., Special Assistant to the Secretary of State from June 26, 1951; Foreign Affairs Officer in the Office of the Special Assistant to the Secretary of State for Mutual Security Affairs after October 13, 1952; Attaché in Denmark after July 26, 1954.

BAXTER, William O., Deputy Director of the Office of Greek, Turkish, and Iranian Affairs, Department of State, June 20, 1952–October 10, 1954; thereafter Director.

BAYAR, Celal, President of the Turkish Republic.

BEAM, Jacob D., Counselor of the Embassy in Yugoslavia, February 1951–October 1952; Counselor of the Embassy in the Soviet Union, November 1952–June 1953; member of the Policy Planning Staff, Department of State, from June 1953.

BEBLER, Aleš, Yugoslav Under Secretary of State for Foreign Affairs.

BERIYA, Lavrentiy Pavlovich, Minister of Internal Affairs of the Soviet Union until June 1953; Deputy Chairman of the U.S.S.R. Council of Ministers until June 1953; member of the Politburo until October 1953 and of the Presidium of the Communist Party of the Soviet Union, October 1952–June 1953.

BERRY, Burton Y., Acting Assistant Secretary of State for Near Eastern Affairs until June 1952.

BIDAULT, Georges, French Minister of National Defense, August 1951–March 1952; Deputy Prime Minister and Minister of National Defense, 1952; Minister of Foreign Affairs, January 8, 1953–June 19, 1954.

BIRGI, Nuri, Under (Assistant) Secretary General in the Turkish Ministry of Foreign Affairs, 1952–1954.

BOHLEN, Charles E., Counselor of the Department of State from March 1953; Member of the Senior Staff of the National Security Council after July 1951; Ambassador to the Soviet Union, April 20, 1953–April 18, 1957.

BONBRIGHT, James C.H., Deputy Assistant Secretary of State for European Affairs from June 27, 1950; Special Assistant to the Permanent Representative in Europe, April 1954–January 1955.

BOWIE, Robert R., Director of the Policy Planning Staff after May 18, 1953.

BRADLEY, General of the Army Omar N., USA, Chairman of the Joint Chiefs of Staff until August 14, 1953.

BREZHNEV, Leonidovich, member of Central Committee, Communist Party of the Soviet Union, from October 1952; Secretary and candidate Presidium member of the Central Committee, October 1952–April 1953; Chief, Political Administration, Soviet Navy, during 1953; from February 1954, Second Secretary and Bureau member, Central Committee, Kazakh Communist Party.

BRIGGS, Ellis O., Ambassador to Czechoslovakia, November 8, 1949–August 17, 1952.

BROSIO, Manlio, Italian Ambassador to the United Kingdom after March 18, 1952.

BRUCE, David K.E., Ambassador to France, May 17, 1949–March 10, 1952; Observer at the Conference for the Organization of a European Defense Community after February 1951; Under Secretary of State, April 1, 1952–February 19, 1953; thereafter Observer to the Interim Committee of the European Defense Community and Representative to the European Coal and Steel Community.

BRUNER, Mirko, First Secretary of the Yugoslav Embassy in the United States.

BULGANIN, Nikolay Aleksandrovich, First Deputy Chairman of the Presidium of the Supreme Soviet of the Soviet Union from March 1953; Soviet Minister of Defense, 1953–1954; member of the Politburo of the Communist Party of the Soviet Union; from 1952 Chairman.

BUNKER, Ellsworth, Ambassador to Italy, May 7, 1952–April 3, 1953.

BUTTERWORTH, W. Walton, Ambassador to Sweden, September 18, 1950–December 9, 1953; thereafter Deputy Chief of Mission in the United Kingdom.

BYINGTON, Homer M., Jr., Director of the Office of Western European Affairs, Department of State, June 30, 1950–August 1, 1953; thereafter Counselor of the Embassy in Spain.

BYROADE, Henry A., Director of the Bureau of German Affairs, Department of State, from November 1, 1949; Assistant Secretary of State for Near Eastern, South Asian, and African Affairs after April 14, 1952.

CAMPBELL, John C., Judge for Courts in Germany (USCG) from October 16, 1949.

CANNON, Cavendish W., Ambassador to Portugal, June 2–August 1, 1953; Ambassador to Greece, September 2, 1953–July 28, 1956.

CARNEY, Admiral Robert B., USN, Commander in Chief, Naval Forces, Eastern Atlantic and Mediterranean, June 1951–June 1952 (1950–1952); Commander in Chief, Allied Forces, Southern Europe and, concurrently, Commander of Allied Naval Forces, Southern Europe, June 1951–May 1953 (1952–1953); thereafter Chief of Naval Operations and Member of the Joint Chiefs of Staff.

CHURCHILL, Winston S. (from April 24, 1953, Sir Winston), British Prime Minister and First Lord of the Treasury, October 26, 1951–April 6, 1955; British Minister of Defense, October 1951–January 1952.

COLLINS, General J. Lawton, USA; Chief of Staff of the Army, August 16, 1949; Representative on the North Atlantic Treaty Organization Military Committee.

CRITTENBERGER, General Willis D., Chairman of the *Ad Hoc* Committee for NSC 143 (the Volunteer Freedom Corps), March 1953–1954.

CRNOBRNJA, Bogdan, Yugoslav Under Secretary for Economic Affairs in the Secretariat of State for Foreign Affairs.

CUMMING, Hugh S., Jr., Counselor of the Embassy in the Soviet Union, 1950–June 1952; Ambassador to Indonesia, September 1953–March 1957.

CUTLER, Robert, Administrative Assistant to President Eisenhower from January 20, 1953; Special Assistant to the President for National Security Affairs, March 23, 1953–April 1, 1955.

CYRANKIEWICZ, Josef, Polish Prime Minister.

DAPCEVIĆ, Colonel General Peko, Yugoslav Army Chief of Staff, 1953–1955.

DAVID, Vacláv, Czechoslovak Foreign Minister, 1953–1958.

DAVIS, Richard H., Officer in Charge of USSR Affairs, Department of State, June 1950–March 1953; Counselor of the Embassy in Austria, June 1953–November 1955; member of the Policy Planning Staff from December 1955.

DAWSON, Laurence, Bureau of United Nations Affairs, Department of State.

DAYTON, Leon, Chief of the Mutual Security Agency Mission in Turkey from July 6, 1952.

DE GASPERI, Alcide, Italian Prime Minister and Minister of Foreign Affairs, July 1951–July 1953; Secretary of the Italian Christian Democratic Party until July 1954.

DILLON, C. Douglas, Ambassador to France, March 13, 1953–January 28, 1957.

DIXON, BEN R., Acting Officer in Charge of Greek Affairs, Office of Greek, Turkish, and Iranian Affairs, Department of State, until December 1954.

DOBRYNIN, Anatoly Fyodorovich, Counselor of the Soviet Embassy in the United States, 1952–1955.

DONNELLY, Walter J., Ambassador to Austria, November 28, 1951–July 19, 1952; thereafter High Commissioner for Germany and Ambassador to the Federal Republic of Germany.

DORR, Russell H., Economic Commissioner in the Office of the Special Representative at Paris after June 6, 1952; Chief of the Mutual Security Agency Mission in Turkey, October 7, 1948–1952.

DRAPER, William H., Jr., Special Representative in Europe after January 18, 1952, and Representative on the North Atlantic Council, April 1952–June 1953.

DULLES, Allen, Deputy Director of Central Intelligence after August 1951; Director of Central Intelligence after January 1953.

DULLES, John Foster, Consultant to Secretary of State Acheson and Personal Representative to President Truman in regard to the Japanese Peace Treaty; after January 21, 1953, Secretary of State.

DUNN, James C., Ambassador to Italy, February 6, 1947–March 17, 1952; Ambassador to France, March 27, 1952–March 2, 1953; Ambassador to Spain, April 9, 1953–February 9, 1955.

DURBROW, ELBRIDGE, Counselor of the Embassy in Italy after July 14, 1952.

EDEN, Sir Anthony, British Secretary of State for Foreign Affairs, October 27, 1951–April 5, 1955.

EINAUDI, Luigi, President of the Italian Republic, May 1948–April 1955.

EISENHOWER, Dwight D., General, USA, Supreme Allied Commander, Europe, April 2, 1951–May 30, 1952; President after January 20, 1953.

ELBRICK, C. Burke, Deputy Assistant Secretary of State for European Affairs from December 16, 1953

ELLIOTT, Sir William, Marshal of the Royal Air Force; Chairman, British Joint Services Mission in the United States; British Permanent Representative on the North Atlantic Treaty Organization Standing Group after April 1951.

EMERY, George H., Attaché in Turkey from February 21, 1952.

ERKIN, Feridun C., Turkish Ambassador to the United States, 1952–1954.

FECHTELER, Admiral William M., USN, Chief of Naval Operations, August 16, 1951–August 17, 1953; thereafter Commander in Chief, Allied Forces, Southern Europe.

FLACK, Joseph, Ambassador to Poland, November 30, 1950–April 22, 1955.

FOSTER, William C., Administrator of the Economic Cooperation Administration from September, 1951; Deputy Secretary of Defense until January 1953.

FREDERIKA, Queen of the Hellenes.

GASCOIGNE, Alvary Douglas Frederick, British Ambassador to the Soviet Union, October 1951–October 1953.

GERO, Erno, Hungarian Government and party official; Chief Deputy Prime Minister as of July 1953; also Interior Minister.

GIFFORD, Walter S., Ambassador to the United Kingdom, December 21, 1950–January 23, 1953.

GLEASON, S. Everett, Deputy Executive Secretary of the National Security Council, January 1950–1960.

GOMULKA, Wladyslaw, Secretary General of the Polish Workers' Party, 1943–1948; Polish Deputy Prime Minister, 1945–1949; accused of political deviation and relieved of all offices in 1949.

GOTTWALD, Klement, Chairman of the Czechoslovak Communist Party, 1945–1953; President of Czechoslovakia, 1948–1953; died March 1953.

GRUENTHER, General Alfred M., USA, Chief of Staff to the Supreme Allied Commander, Europe until July 11, 1953; Supreme Allied Commander, Europe until November 20, 1956.

HAMMARSKJÖLD, Dag, Swedish Deputy Foreign Minister; Minister without Portfolic, 1951–1953; Secretary-General of the United Nations after April 1953.

HANDY, General Thomas T., USA, Commander in Chief, European Command after August 1949.

HARMONY, Brigadier General John W., USA, Military Assistance Attaché in Yugoslavia.

HARRIMAN, W. Averell, Director for Mutual Security from November 1, 1951; from September 1951, Chairman of the Temporary Council Committee, North Atlantic Council.

HARRISON, Geoffrey W., Assistant Under Secretary of State in the British Foreign Office.

HART, Major General Charles E., USA; Chief of the Joint Military Aid Group in Greece, October 1951–October 1955.

HARVEY, Mose L., Chief, Division of Research for USSR and Eastern Europe, Department of State, December 1950–July 1955.

HAYTER, Sir William G., British Minister in France after December 1949; British Ambassador to the Soviet Union, October 1953–1957.

HIGGS, H. Randolph, Political Adviser in Trieste after February 1, 1952.

HOLMES, Julius C., Minister-Counselor in the United Kingdom, September 1948–December 1953.

HOOVER, Herbert, Jr., Under Secretary of State after October 4, 1954.

HUGHES, John C., Permanent Representative on the North Atlantic Council, with rank of Ambassador, at Paris after June 12, 1953.

IGNATYEV, Semyen Denisovich, Soviet Minister of State Security, 1951–March 1953; Member of the Presidium and of the Secretariat of the Central Committee of the Communist Party of the Soviet Union, March–April 1953; First Secretary, Bashkir Oblast Committee, CPSU, January 1954–June 1957.

JACKSON, C.D., Special Assistant to President Eisenhower, February 16, 1953–March 31, 1954; thereafter Delegate to the Ninth General Assembly of the United Nations.

JACKSON, William H., Chairman of President's Committee on International Information Activities in 1953.

JERNEGAN, John D., Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs after June 26, 1952.

JESSUP, Philip C., Ambassador at Large, March 2, 1949–January 19, 1953.

JOHNSON, U. Alexis, Deputy Assistant Secretary of State for Far Eastern Affairs from November 30, 1951; Counselor of the Embassy in Czechoslovakia after October 30, 1953; Ambassador to Czechoslovakia, December 31, 1953–December 29, 1957.

JONES, John W., Counselor of the Embassy in Spain, November 1949–November 1953; thereafter Director of the Office of Western European Affairs, Department of State.

JOXE, Louis, French Ambassador to the Soviet Union.

JOYCE, Robert P., Member of the Policy Planning Staff, Department of State, December 23, 1948–February 1953; Counselor of the Embassy in France from December 22, 1952.

JULIANA, Queen of the Netherlands.

KAGANOVICH, Lazar Moiseyevich, First Deputy Chairman of the Council of Ministers of the Soviet Union; member of the Politburo of the Communist Party of the Soviet Union.

KANELLOPOULOS, Panyotis, Greek Minister without Portfolio, November–December 1952; thereafter Minister of National Defense until October 1955; Deputy Prime Minister, December 1954–October 1955.

KARDELJ, Edvard, Yugoslav Deputy Prime Minister and Minister for Foreign Affairs, 1948–1953; First Vice President of the Federal Executive Council; Secretary General and Secretary of the Executive Committee of the Socialist Alliance of the Working People of Yugoslavia.

KENNAN, George F., School of Historical Studies, The Institute of Advanced Studies at Princeton until April 1952; Ambassador to the Soviet Union, May 14, 1952–September 19, 1952.

KENNEY, W. John, Deputy Director of the Mutual Security Agency, February–November, 1952.

KEY, David McK., Assistant Secretary of State for United Nations Affairs from December 18, 1953; and for International Organization Affairs from August 25, 1954.

KHRUSHCHEV, Nikita Sergeyevich, member of the Politburo (Presidium from October 1952) of the Communist Party of the Soviet Union from 1939; Secretary of the Central Committee of the Communist Party, 1949–March 1953; thereafter First Secretary of the Commmunist Party.

KIDRIČ, Boris, Chairman of the Yugoslav Central Economic Council, Chairman of the Central Commission for Planning, and Minister for Industry until his death in 1952; member of the Politburo of the League of Yugoslav Communists.

KILLEN, James S., Chief, Mutual Assistance Agency Mission in Yugoslavia (from 1953, Foreign Operations Administration), October 1952–October 1955.

KING, Nat B., Counselor of the Embassy in Czechoslovakia, July 1952–August 1954; with the Mission at the United Nations, August 1954–October 1956; Economic Counselor of the Embassy in Iraq from October 1956.

KIRK, Alan G., Ambassador to the Soviet Union, July 4, 1949–January 1952; Director of the Psychological Strategy Board, September 1952–September 1953.

KITCHEN, Jeffrey C., Acting Chief of the Policy Reports Staff, Executive Secretariat, Department of State, May 26–November 9, 1952; Special Assistant to the Secretary of State, November 9, 1952–January 3, 1952; Deputy Director of the Office of Greek, Turkish, and Iranian Affairs, after October 1954.

KITRILAKIS, Lieutenant General Stylianos, Greek Army; Deputy Chief of the Greek National Defense General Staff, 1949–1952; Chief, 1952–1954.

KNIGHT, Ridgway B., Acting Deputy Director of the Office of European Regional Affairs, Department of State, February 16, 1951–July 6, 1952; from July 1952 Adviser on North Atlantic Treaty Organization Affairs; Deputy Director of the Office of European Regional Affairs until August 11, 1953; Acting Director of the Office of Western European Affairs until January 15, 1954; thereafter Deputy Assistant High Commissioner for Germany.

KÖPRÜLÜ, Fuad, Turkish Foreign Minister of Foreign Affairs, May 22, 1950–April 15, 1955; Chairman, Turkish Delegations to the 7th and 8th Regular Sessions of the United Nations General Assembly, 1952–1953.

KRETZMANN, Edwin, Policy Adviser, International Broadcasting Service, USIA.

KYES, Robert M., Deputy Secretary of Defense, February 2, 1953–May 1, 1954.

KYROU, Alexios (Alexis), Greek Permanent Representative to the United Nations, 1947–1953; Director General of the Ministry of Foreign Affairs, 1954.

LAPHAM, Roger D., Chief of the Mutual Security Agency Mission in Greece, October 1950–October 1952.

LAY, James S., Jr., Executive Secretary of the National Security Council from January 1950.

LEE, Lieutenant Colonel Richard M., USA, Office of the Assistant Chief of Staff, G–3, United States Army.

LEMNITZER, Lieutenant General Lyman L., USA; Deputy Chief of Staff for Plans and Research, United States Army, after 1953.

LEVERICH, Henry P., Officer in Charge of Balkan Affairs, Office of Eastern European Affairs, Department of State, September 1952–October 1956; Deputy Director, Office of Eastern European Affairs, from October 1956.

LODGE, Henry Cabot, Jr., Ambassador to the United Nations, January 26, 1953–September 3, 1960.

LOVETT, Robert A., Secretary of Defense, September 1951–January 1953.

LUCA, Vasile, Rumanian Finance Minister; purged in 1952.

LUCIOLLI, Marion, Counselor of the Italian Embassy in the United States after November 1948.

MACARTHUR, Douglas, II, Counselor of the Embassy in France and Adviser on International Affairs to the Supreme Allied Commander, Europe, February 1951–Oc-

tober 1952; Counselor of the Department of State, March 1953–December 19, 1953.

McFALL, Jack K., Assistant Secretary of State for Congressional Relations, October 15, 1949–September 9, 1952; Minister in Finland, November 15, 1952–September 17, 1954; Ambassador to Finland, September 17, 1954–September 19, 1955.

McGHEE, George C., Ambassador to Turkey, January 15, 1952–June 19, 1953.

McKISSON, Robert M., Office of Eastern European Affairs, Department of State.

McSWEENEY, John W., Counselor of the Embassy in the Soviet Union, October 1951–July 1953; detailed to the Army War College, July 1953–July 1954; Adviser, Security Council Affairs, Mission at the United Nations, July 1954–July 1955.

MAFFITT, Edward P., First Secretary of the Embassy in Italy and Consul at Rome after June 11, 1953; Special Liaison from the Embassy in Italy to the Headquarters, Allied Forces in Southern Europe.

MAKARIOS III, Archbishop and Ethnarch in Cyprus.

MAKINS, Roger M., British Deputy Under Secretary of State for Foreign Affairs, April 22, 1948–December 30, 1952; British Ambassador to the United States, December 1952–October 1956.

MALENKOV, Georgiy Maksimilianovich, Deputy Chairman, Soviet Council of Ministers (previously Council of Peoples' Commissars), 1946–March 1953; Chairman of the Council of Ministers, March 1953–February 1955; Deputy Chairman of the Council of Ministers and Minister of Electric Power States, February 1955–July 1957; member of the Central Committee, Communist Party of the Soviet Union, Politburo (later Presidium) 1939–July 1957; Secretary of Central Committee; 1939–April 1953.

MALIK, Yakov Aleksandrovich, Soviet Deputy Minister of Foreign Affairs until 1953; Soviet Ambassador to the United Kingdom, May 1953–January 1960.

MALLETT, Victor Alexander Louis, British Ambassador to Italy, October 1951–October 1953.

MALLETT, Sir William Ivo, British Ambassador to Yugoslavia, October 1951–October 1954.

MARKEZINIS, Spyridon (Spyros), Greek Minister of Coordination.

MARSHALL, Charles B., Department of State member of the *Ad Hoc* Committee on NSC 132 (Volunteer Freedom Corps).

MATES, Leo, Yugoslav Deputy Foreign Minister until April 1954; Yugoslav Ambassador to the United States, April 1954–October 1958.

MATTHEWS, H. Freeman, Deputy Under Secretary of State, July 5, 1950–September 31, 1953; Ambassador to the Netherlands, November 25, 1953–June 11, 1957.

MAVROS, George, Greek Deputy Minister of National Defense, April–July 1952; thereafter Minister of National Defense until October 1952.

MAYER, René, French Prime Minister and Minister of Finance and Economic Affairs, August 11, 1951–January 20, 1952; Prime Minister, January 8–June 28, 1953.

MELAS, George V., Greek Ambassador to the United States.

MERCHANT, Livingston T., Special Assistant to the Secretary of State for Mutual Security Affairs until March 1952; Deputy to the Special Representative in Europe, at Paris, March 24, 1952–March 11, 1953; Assistant Secretary of State for European Affairs until May 7, 1956.

MIKOYAN, Anastas Ivanovich, Deputy Chairman of the Soviet Council of Ministers, from 1946; Minister for Internal and Foreign Trade, March–September 1953; Minister for Foreign Trade from September 1953; member of the Politburo (Presidium, from October 1952) of the Communist Party of the Soviet Union, from 1935.

MOLOTOV, Vyacheslav Mikhailovich, Soviet Foreign Minister until 1949; Foreign Minister, March 1953–1956; member of the Politburo (Presidium, from October 1952), 1926–July 1957.

MONTGOMERY OF ALAMEIN, Field Marshal Bernard L., Viscount, Deputy Supreme Allied Commander in Europe.

MORGAN, George A., Assistant Director of the Psychological Strategy Board from December 21, 1951; Deputy Director of the Psychological Strategy Board, after October 6, 1952; Acting Director after January 22, 1953; Acting Deputy Executive Officer on the Operations Coordinating Board from December 20, 1953; Counselor of the Embassy and Consul in Japan after August 1, 1954.

MORTON, Thruston B., Assistant Secretary of State for Congressional Relations after January 30, 1953.

MURPHY, Robert D., Ambassador to Belgium, November 29, 1949–March 19, 1952; Ambassador to Japan, May 9, 1952–April 28, 1953; appointed Assistant Secretary of State for United Nations Affairs, March 20, 1953; Political Adviser to the U.N. Command on the Korean Armistice Negotiations, April 28–July 11, 1953; Acting Deputy Under Secretary of State in addition to duties as Assistant Secretary of State for United Nations Affairs, November 30–December 18, 1953; Deputy Under Secretary of Political Affairs after December 18, 1953.

NAGY, Imre, Hungarian Prime Minister, July 1953–April 1955 and October–November 1956; member of the Politburo of the Hungarian Communist Party, 1944–1948, April 1951–1955; expelled from party leadership in April 1955.

NASH, Frank C., Assistant to the Secretary of Defense for International Security Affairs, 1951–1953.

NITZE, Paul H., Director of the Policy Planning Staff, Department of State, January 1, 1950–April 1953.

NIXON, Richard M., Senator from California until January 1953; thereafter Vice President.

NOLTING, Frederick E., Special Assistant to the Deputy Under Secretary of State from October 14, 1951; Acting Special Assistant to the Secretary of State for Mutual Security Affairs after August 4, 1953; Special Assistant to the Secretary of State for Mutual Security Affairs, January 4, 1954–September 1955.

NUTTING, (Harold) Anthony, British Parliamentary Under Secretary of State for Foreign Affairs, October 1951–October 1954; Minister of State for Foreign Affairs, October 1954–1956; British Representative to the United Nations General Assembly, 1954–1955.

NYKOPP, Johan A., Finnish Minister in the United States, June 1951–January 1955. Finnish Ambassador to the United States, January 1955–September 1958.

OATIS, William N., American correspondent imprisoned in Czechoslovakia, April 1951–May 1953.

O'CONNOR, Roderic L., Assistant to the Secretary of State, January 21, 1953–February 21, 1954; thereafter Special Assistant to the Secretary of State.

O'SHAUGHNESSY, Elim, First Secretary (later Counselor) of the Embassy in the Soviet Union, July 1951–June 1954; Director of the Office of Political Affairs, Office of the High Commissioner for Germany, June 1954–May 1955.

PACCIARDI, Randolfo, Italian Minister of National Defense until 1953.

PACE, Frank, Jr., Secretary of the Army.

PANYUSHKIN, Aleksandr Semenovich, Soviet Ambassador to the United States, 1947–June 1952; Soviet Ambassador to the Chinese People's Republic, June 1952–March 1953.

PAPAGOS, Alexander, Field Marshal, Greek Army (ret.), leader of the Greek Rally; Greek Prime Minister from November 1952.

PARSONS, J. Graham, Deputy Director of the Office of European Regional Affairs, Department of State, until May 16, 1952; Acting Director, until July 18, 1953; Counselor of the Embassy in Japan, July 1953–May 1956.

PAUKER, Ana, Rumanian Minister for Foreign Affairs, December 1957–June 1952; member of the Politburo of the Rumanian Workers' Party until June 1952.

PAUL I, King of the Hellenes.

PELLA, Giuseppe, Italian Minister of the Budget until February 1952; Minister of the Budget and Treasury until July 1953; Italian Prime Minister, Minister of Foreign Affairs, and Minister of the Budget, August 1953–January 1954.

PERKINS, George W., Assistant Secretary of State for European Affairs until January 29, 1953.

PETRŽELKA, Karel, Czechoslovak Ambassador to the United States.

PEURIFOY, John E., Ambassador to Greece, September 25, 1950–August 9, 1953.

PHILLIPS, Joseph B., Deputy Assistant Secretary of State for Public Affairs until October 1952; Acting Director of the Office of Public Affairs, Office of the High Commissioner for Germany, until June 1954; thereafter Director.

PIJADE, Moša, Vice President of the Yugoslav Federal People's Assembly (Skupstina), 1946–1954; President from 1954; Vice President of the Yugoslav Federal Executive Council, 1951–1954; member of the Politburo of the Central Committee of the Yugoslav League of Communists from 1941.

PLASTIRAS, Nicholas, General, Greek Army (ret.); Greek Prime Minister, 1951–October 1952; died July 26, 1953.

PODTSEROV, Boris Fedorovich, General Secretary of the Soviet Foreign Ministry, 1951–1952; Deputy Foreign Minister, 1952–1953; Chief, First European Department (Western Europe), Soviet Foreign Ministry, 1953–1955.

POLITIS, Athanase G., Greek Ambassador to the United States.

POPOVIĆ, Colonel General Koča, Chief of the General Staff, Yugoslav National Army, 1945–January 1953; Yugoslav Minister for Foreign Affairs from January 1953; member of the Politburo of the Yugoslav League of Communists from 1942.

POPOVIĆ, Vladimir, Yugoslav Deputy Foreign Minister 1948–1950; Ambassador to the United States, June 1950–March 1953; Chairman, Foreign Affairs Committee, Yugoslav Federal People's Assembly (Skupstina), March 1953–April 1955; from April 1955 Ambassador to the People's Republic of China.

PORTER, William J., Officer in Charge of Greek Affairs, Department of State, November 1951–November 1953; Consul in Rabat, November 1953–September 1954.

PUSHKIN, Georgiy Maksimovich, Chief of the Soviet Diplomatic Mission in the German Democratic Republic, October 1949–May 1952; Soviet Deputy Foreign Minister, June 1952–March 1953. Chief, Near and Middle East Division, Soviet Foreign Ministry, 1953–1954; Soviet High Commissioner in Germany and Soviet Ambassador to the German Democratic Republic, 1954–1955.

RADFORD, Admiral Arthur W., USN, Commander in Chief, Pacific Fleet, April 1949–July 1953; Chairman of the Joint Chiefs of Staff from August 1953.

RÁKOSI, Mátyás, Hungarian Prime Minister, August 1952–July 1953; Secretary General of the Hungarian Communist Party (First Secretary after September 1953) until his resignation in July 1956.

RANKOVIĆ, Aleksandar, Yugoslav Deputy Prime Minister and Minister of Interior, 1946–January 1953; Vice President of the Yugoslav Federal Executive Committee from January 1953.

RAVNDAL, Christian M., Envoy Extraordinary and Minister Plenipotentiary in Hungary from October 3, 1951.

RAYNOR, G. Hayden, Director of the Office of British Commonwealth and Northern European Affairs, Department of State, March 4, 1951–June 1955; Counselor of the Embassy in Norway, July 1955–April 1958.

RICHARDS, Arthur L., Director of the Office of Greek, Turkish, and Iranian Affairs, Department of State, June 1952–August 1954; Consul General in Istanbul, September 1954–January 1956.

RICHARDS, James P., Representative from South Carolina; Chairman of the House Foreign Affairs Committee.

RIDDLEBERGER, James W., Political Adviser to the Economic Cooperation Administration from September 4, 1950; Director of the Bureau of German Affairs, Department of State, after May 14, 1952; Ambassador to Yugoslavia, November 16, 1953–January 11, 1958.

ROUNTREE, William M., Director of the Office of Greek, Turkish, and Iranian Affairs, Department of State, from August 1950; after August 1952 Counselor of the Embassy in Turkey; Counselor of the Embassy in Iran, October 1, 1953–December 1954.

RUFFIN, Henri, First Secretary in the French Embassy in the United States, June 1950–December 1953; Second Counselor after December 1953.

SATTERTHWAITE, Livingston L., Political Adviser to the Commander in Chief, European Command; Counselor of the Embassy in Turkey from May 2, 1952; Political Adviser to the European Commission at Frankfurt after March 17, 1953; Counselor of the Embassy in France after March 16, 1954.

SCELBA, Mario, Italian Minister of the Interior until July 1953; Prime Minister and Minister of the Interior, February 1954–May 1955.

SCHUMAN, Robert, French Minister of Foreign Affairs until January 1953; Deputy in the National Assembly, 1953–1954.

SEKANINOVA, Gertruda, Czechoslovak Deputy Foreign Minister.

SHANTZ, Harold, Minister in Rumania, September 1952–June 1953.

SHVERNIK, Nikolay Mikhailovich, Chairman of the Presidium of the Supreme Soviet of the Soviet Union, 1946–1953; Chairman, Soviet All-Union Central Council of Trade Unions, from March 1953; Vice President of the Executive Bureau of the World Federation of Trade Unions; Candidate Member, Politburo of the Communist Party of the Soviet Union, 1946–October 1952; member, Presidium, Communist Party of the Soviet Union, October 1952–March 1953.

SIMMONS, John F., Chief of Protocol, Department of State, after August 1950.

ŠIROKÝ, Viliam, Czechoslovak Deputy Prime Minister, 1945–March 1953; Minister for Foreign Affairs, 1950–March 1953; member, Presidium, Czechoslovak Communist Party, 1945–1963.

SLÁNSKY, Rudolf, Secretary General of the Czechoslovak Communist Party, 1945–1951; Czechoslovak Deputy Prime Minister, 1951, arrested; executed December 1952.

SMITH, Walter Bedell, Director of Central Intelligence until February 9, 1953; Under Secretary of State, February 1953–October 1, 1954.

SNYDER, John W., Secretary of the Treasury and Chairman of the National Advisory Council.

STALIN, Generalissimo and Marshal of the Soviet Union Iosif Vissarionovich, Chairman of the Soviet Council of Ministers, 1939–1953; Secretary General, Central Committee, Communist Party of the Soviet Union, 1924–1953; died March 6, 1953.

STEPHANOPOULOS, Stephanos (Stephen), Greek Rally Member of Parliament; Minister of Foreign Affairs, November 1952–October 1954; Deputy Prime Minister, December 1954–October 1955.

STEPINAC, Alojzije, Roman Catholic Archbishop (later Cardinal) of Zagreb; in 1946 arrested, tried, convicted, and sentenced to 16 years hard labor for alleged World War II collaboration with the Germans.

STEVENS, Francis, Office of the High Commissioner for Germany, later in the Office of Eastern European Affairs, Department of State.

STOESSEL, Walter J., Jr, Acting Director, Soviet Affairs, Office of Eastern European Affairs, Department of State, after March 1, 1953.

THOMPSON, Llewellyn E., Counselor of the Embassy in Italy until July 1952; High Commissioner and Ambassador to Austria, September 4, 1952–July 9, 1957.

THURSTON, Raymond L., Deputy Director of the Office of Eastern European Affairs, Department of State, from June 1952; Director after May 1954.

TITO, Josip Broz, Yogoslav Prime Minister and Minister of National Defense, 1945–1953; President of the Yugoslav Federated People's Republic, Chairman of the Federal Executive Council, and Supreme Commander of the Armed Forces from January 1953.

TRUESDELL, George E., Office of Eastern European Affairs, Department of State.

TURKEL, Harry R., Counselor of the Embassy in Greece after June 5, 1951.

UNGER, Leonard, Consul and First Secretary of the Embassy in Italy, March 13, 1952–December 13, 1953; thereafter Officer in Charge of Political Military Affairs, Office of European Regional Affairs, Department of State, December 1953–July 1956.

VALKOV, Vasiliy Vasiliyevich, Soviet Ambassador to the Netherlands, 1950–1952; Head, Balkan Department, Soviet Foreign Ministry, 1950–1952; Soviet Ambassador to Yugoslavia, 1953–1955.

VEDELER, Harold C., Officer in Charge of Polish, Baltic, and Czechoslovak Affairs, Department of State, from August 1950.

VELEBIT, Vladimir, Yugoslav Deputy Minister for Foreign Affairs, 1945–1948; Chairman of the Yugoslav Federal Committee on Tourism, 1948–1953; Yugoslav Ambassador to the United Kingdom, February 1953–October 1956.

VENDIRIS, George, Secretary General to King Paul I of the Hellenes, August 1951–November 1952.

VENIZELOS, Sophocles, Greek Deputy Prime Minister and Minister of Foreign Affairs, October 1951–October 1952; presided over the Greek Government, March 1952–October 1952; Minister of National Defense, April–July 1952; Leader of the Liberal Party, June 1949–April 1954.

VOROSHILOV, Marshal of the Soviet Union Klimet Yefremovich, Deputy Chairman, Soviet Council of Ministers, 1946–March 1953; Chairman, Presidium, Supreme Soviet, from March 1953; member, Politburo (Presidium from October 1952) from 1926.

VYSHINSKY, Andrey Yanuaryevich, Soviet Minister of Foreign Affairs, March 1949–March 1953; First Deputy Minister of Foreign Affairs and Soviet Permanent Representative to the United Nations, 1953–1954.

WADSWORTH, George, II, Ambassador to Czechoslovakia, December 29, 1952–October 30, 1953; thereafter Ambassador to Saudi Arabia.

WALLNER, Woodruff, Counselor of the Embassy in France, April 1952–October 1952; Counselor of the Embassy in Yugoslavia, October 1952–October 1954; Political Adviser, European Command, at Paris, October 1954–April 1957.

WALMSLEY, Walter N., Jr., Special Assistant to the Counselor of the Department of State, February–September 1952; Counselor of the Embassy in Brazil, Septem-

ber 1952–January 1954; Counselor of the Embassy in the Soviet Union, May 1954–October 1956.

WARREN, Avra M., Ambassador to Turkey, September 17, 1953–February 17, 1956.

WILSON, Charles E., Director of the Office of Defense Mobilization until January 8, 1953; thereafter Secretary of Defense.

WINTERTON, General John, Commander of the United Kingdom-United States Forces in Trieste.

WOLF, Joseph J., Officer in Charge of Political-Military Affairs, Office of European Regional Affairs, Department of State, from July 20, 1952; Special Adviser for North Atlantic Treaty Organization Affairs after July 1954.

WRIGHT, Edwin M., Officer in Charge of Turkish Affairs, Department of State, May 1952–January 1955.

YINGLING, Raymond T., Assistant Legal Adviser for European Affairs, January 1951–October 1957.

YOST, Charles W., Counselor of the Embassy in Greece, September 1950–July 1953; Deputy High Commissioner for Austria, August 1953–August 1954.

ZAPOTOCKÝ, Antonin, Czechoslovak Prime Minister, 1948–1953; President of Czechoslovakia, March 1953 until his death in November 1957.

ZARUBIN, Georgiy Nikolaeyevich, Soviet Ambassador to the United Kingdom, 1946–1952; Ambassador to the United States, June 1952–January 1958.

ZHUKOV, Marshal of the Soviet Union Georgiy Konstantinovich, Commander, Urals Military District, 1947–March 1953; Soviet First Deputy Minister of Defense, March 1953–February 1955; Soviet Minister of Defense, February 1955–October 1957; Candidate-Member, Presidium, Central Committee, Communist Party of the Soviet Union, February 1956–June 1957; member, Presidium, June–October 1957.

LIST OF SHORT TITLES

AFP: American Foreign Policy, 1950–1955: Basic Documents, 2 vols. (Washington: Government Printing Office, 1957).

Documents (R.I.I.A.) for 1952, 1953, and 1954: Folliot, Denise, ed., *Documents on International Affairs, 1952, 1953, and 1954* (Royal Institute of International Affairs, London, 1955–1957).

Documents on American Foreign Relations, 1952: Clarence W. Baier and Richard P. Stebbins, eds., *Documents on American Foreign Relations, 1952*, (New York, 1953).

Documents on American Foreign Relations, 1953: Peter Curl, ed., *Documents on American Foreign Relations, 1953* (New York, 1954).

Documents on American Foreign Relations, 1954: Peter Curl, ed., *Documents on American Foreign Relations, 1954* (New York, 1955).

Eden, *Full Circle:* Eden, Anthony, *The Memoirs of Anthony Eden. Full Circle* (Boston, 1960).

Eisenhower, *Mandate for Change:* Eisenhower, Dwight D., *The White House Years. Mandate for Change: 1953–1956* (New York, 1963).

H.C. Debs., 5th series: House of Commons, *Parliamentary Debates*, 5th series.

Kennan, *Memoirs, 1925–1950:* Kennan, George F., *Memoirs, 1925–1950* (Boston, 1967).

————————, *Memoirs, 1950–1963:* Kennan, George F., *Memoirs, 1950–1963* (Boston, 1972).

Sulzberger, *A Long Row of Candles:* Sulzberger, C.L., *A Long Row of Candles. Memoirs and Diaries, 1934–1954* (New York, 1969).

LIST OF SOURCES

Department of State

Ankara Embassy Files, Lot 57 F 72

Classified files for the years 1944–1954 as maintained by the Embassy at Ankara and which are now part of Washington National Records Center Accession No. 68 A 5159 (4 ft.)

Athens Embassy Files, Lot 59 F 48

Classified correspondence for the years 1945–1957 as maintained by the Embassy at Athens and which are now part of Washington National Records Center Accession No. 58 A 5159. (½ ft.)

Athens Embassy Files, Lot 60 F 16

Classified subject files for the years 1953–1955 as maintained by the Embassy at Athens and which are now part of Washington National Records Center Accession No. 61 A 17. (4 ft.)

Athens Embassy Files, Lot 66 F 94

Classified records for the years 1956–1958 as maintained by the Embassy at Athens and which are now part of Washington National Records Center Accession No. 68 A 5159. (¼ ft.)

Balkan Affairs Files, Lot 59 D 383

Consolidated subject files relating mostly to Yugoslavia and the Trieste negotiations for the years 1948–1956, as maintained by the Balkan Section of the Office of Eastern European Affairs. (Combines Lots 59 D 383, 54 D 315, 54 D 514, 58 D 394, 59 D 341 and 65 D 137) (2 ft.)

Belgrade Embassy Files, Lot 56 F 149

Classified correspondence files for the years 1945–1953 as maintained by the Embassy at Belgrade and which are now part of Washington National Records Center Accession No. 68 A 5159. (2 ft.)

Belgrade Embassy Files, Lot 58 D 35

Classified subject files for the years 1951–1954 as maintained by the Embassy at Belgrade and which are now part of Washington National Records Center Accession No. 59 A 545. (12 ft.)

Belgrade Embassy Files, Lot 61 F 43

Classified and unclassified subject files for the year 1955 as maintained by the Embassy at Belgrade and which are now part of Washington National Records Center Accession No. 61 A 473. (6 ft.)

Bohlen Files, Lot 74 D 379

Records maintained by Ambassador Charles E. Bohlen, 1942–1970. (17 ft.)

CFM Files, Lot M-88

Consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the foreign ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center. (254 ft.)

Conference Files, Lot 59 D 95

Collection of documentation on official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the years 1949–1955, as maintained by the Executive Secretariat of the Department of State. (13 ft.)

Conference Files, Lot 60 D 627

Collection of documentation on official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the years 1953–1958, as maintained by the Executive Secretariat of the Department of State. This file is a continuation of Lot 59 D 95. (25 ft.)

EE Files, Lot 67 D 238

Economic and political files maintained on Yugoslavia, Czechoslovakia, and Poland for the years 1946–1965 by the Office of Eastern European Affairs, Bureau of European Affairs. (1½ ft.)

EUR Files, Lot 59 D 233

Files of the Office of the Assistant Secretary of State for European Affairs for the years 1945–1957. (6 ft.)

INR Files, Lot 59 D 27

Miscellaneous files for the years 1948–1954 as retired by the Bureau of Intelligence and Research, including master file of minutes of the Intelligence Advisory Committee (IAC). (2½ ft.)

Italian Desk Files, Lot 58 D 357

Consolidated subject files of the Officer in Charge of Italian Affairs, Office of Western European Affairs, for the years 1944–1955. (Combines Lots 58 D 357, 56 D 289, 57 D 56, 58 D 156 and 58 D 243.) (5 ft.)

Luce Files, Lot 64 F 26

Records of Clare Boothe Luce as Ambassador in Italy, 1953–1956, as maintained by the Embassy at Rome. (4 ft.)

NAC Files, Lot 60 D 137

Master file of the documents of the National Advisory Council on International Monetary and Financial Problems for the years 1945–1958, as maintained by the Bureau of Economic Affairs of the Department of State and which are now part of Washington National Records Center Accession No. 71 A 6682. (15 ft.)

OCB Files, Lot 62 D 430

Master files of the Operations Coordinating Board for the years 1953–1960, as maintained by the Executive Secretariat of the Department of State. (17 ft.)

PPS Files, Lot 64 D 563

Master file of documents, drafts, records of meetings, memoranda, and related correspondence of the Policy Planning Staff for the years 1947–1953. (42 ft.)

PPS Files, Lot 65 D 101

Master file of documents, drafts, records of meetings, memoranda, and related correspondence of the Policy Planning Staff for the year 1954. (8 ft.)

Presidential Correspondence, Lot 64 D 174

Exchanges of correspondence between President Eisenhower and heads of foreign governments, excluding the United Kingdom, France, Germany, and the Soviet Union, for the years 1953–1960, as maintained by the Executive Secretariat of the Department of State. (4 ft.)

Presidential Correspondence, Lot 66 D 204

Exchanges of correspondence between the President and the heads of foreign governments for the years 1953–1964, as maintained by the Executive Secretariat of the Department of State. (9 ft.)

Presidential Memoranda of Conversation, Lot 66 D 149

A complete chronological record of cleared memoranda of conversations between the President and foreign visitors for the years 1956–1964, as maintained by the Executive Secretariat of the Department of State. (1 ft.)

PSB Files, Lot 62 D 333

Master file of minutes and papers of the Psychological Strategy Board for the years 1951–1953, as maintained by the Executive Secretariat of the Department of State. (17 ft.)

S/S–NSC Files, Lot 63 D 351

Serial master file of National Security Council documents and correspondence and related Department of State memoranda for the years 1947–1961, as maintained by the Executive Secretariat of the Department of State. (20 ft.)

Secretary's Actions, Lot 61 D 258

Summary statements, under varying titles, of major activities of the Secretary and Under Secretaries of State for the period November 1954–1960, as maintained by the Executive Secretariat of the Department of State. (1½ ft.)

Secretary's Letters

Correspondence of the Secretary of State for the years 1945–1956, as maintained by the Executive Secretariat of the Department of State. (3⅓ ft.)

Secretary's Memoranda, Lot 53 D 444

Comprehensive chronological collections of the Secretary of State's memoranda, memoranda of conversation, and memoranda of conversation with the President for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State. (15 ft.)

Secretary's Memoranda of Conversation, Lot 65 D 238

Chronological collections of the Secretary of State's memoranda of conversation with the President for the years 1949–1952, memoranda of the Secretary of State and Under Secretary of State for the years 1951–1952, and the Secretary

of State's memoranda of conversation with Senator Tom Connally of Texas for the years 1950–1951, as maintained by the Executive Secretariat and which is now part of Record Group 59 at the National Archives. (1 ft.)

Secretary's Memoranda of Conversation, Lot 64 D 199

Chronological collections of the Secretary of State's memoranda of conversation and the Under Secretary of State's memoranda of conversation for the years 1953–1960, as maintained by the Executive Secretariat of the Department of State. (7 ft.)

Secretary's Staff Meetings, Lot 63 D 75

Chronological collections of the minutes of the Secretary of State's staff meetings during the years 1952–1960, as maintained by the Executive Secretariat of the Department of State. (4 ft.)

State–JCS Meetings, Lot 61 D 417

Top secret records of meetings between representatives of the Department of State and the Joint Chiefs of Staff for the years 1951–1959, and selected problem files on the Middle East for the years 1954–1956, as maintained by the Executive Secretariat of the Department of State. (3 ft.)

United States Mission to the United Nations, New York

USUN Files

Files of the United States Mission to the United Nations, 1950–present, as maintained by the Reference Section of the United States Delegation to the United Nations.

Eisenhower Library, Abilene, Kansas

Dwight D. Eisenhower Papers

Papers of Dwight D. Eisenhower as President of the United States for the years 1953–1961. The collection, which was maintained by Ann Whitman and has subsequently been called the "Whitman File," has several major parts, including the National Security Council file, the International Meetings file, and the International file.

Dwight D. Eisenhower Records

Daily appointment books of President Eisenhower for the years 1953–1961.

James C. Hagerty Papers

Papers of James C. Hagerty, Press Secretary to the President, for the years 1953–1961.

C.D. Jackson Papers

Papers of C.D. Jackson, Special Assistant to the President for International Affairs, for the years 1953–1954.

Princeton University, Princeton, New Jersey

Dulles Papers, Dulles Appointment Book

Daily log of Secretary of State Dulles' meetings and appointments for the years 1953–1959.

UNITED STATES POLICY WITH RESPECT TO EASTERN EUROPE[1]

SIGNIFICANT EVENTS IN EASTERN EUROPE AND THE DEVELOPMENT OF UNITED STATES POLICY: POLITICAL AND ECONOMIC REORGANIZATION IN CZECHOSLOVAKIA, HUNGARY, AND RUMANIA; THE OATIS CASE IN CZECHOSLOVAKIA; TOPICS OF DISCUSSION AT THE UNITED STATES CHIEFS OF MISSION MEETINGS IN PARIS (MARCH 3-5, 1952), LUXEMBOURG (SEPTEMBER 19-21, 1953), AND VIENNA (SEPTEMBER 22-24, 1953); PLANS TO EXPLOIT UNREST IN EASTERN EUROPE; FOOD AND FLOOD RELIEF PROPOSALS; POLITICAL WARFARE

No. 1

249.1111 Oatis, William N./1-552: Telegram

The Ambassador in Czechoslovakia (Briggs) to the Department of State[2]

TOP SECRET PRIORITY PRAHA, January 5, 1952—4 p.m.

513. Likeliest explanation FonMin Siroky's failure move ahead with Oatis negots is fact that Czech Govt has been using time since our Dec 7 mtg[3] trying to achieve through separate efforts two of principal objectives probably originally in mind as hoped for fruits of Oatis negotiation, namely release of steel mill (or proceeds sale thereof) and circumvention restrictions natl Czech airline CSA over-flying Ger to West Eur. For Emb in those circumstances to seek renewal Oatis negot without our govts first having (1) acted to prevent Czecho acquiring proceeds steel mill, and (2) succeeded in blocking Czech aviation project, wld in our opinion have fol immediate consequences:

a. Suggested approach wld inevitably lower in Czech eyes value our Dec 7 Oatis proposal and

b. It wld simultaneously (in conjunction US ransom payment Hung for US fliers) whet Czech appetite still further in direction bigger and better ransom for Oatis.

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[1]For previous documentation on this subject, see *Foreign Relations*, 1951, volume IV. The documentation included here pertains generally to subjects relating to Eastern Europe as a region and specifically to Poland, Czechoslovakia, Hungary, Rumania, and Bulgaria. Relations between the United States and the German Democratic Republic are documented in vol. VII, Part 2, pp. 1544 ff.

[2]Transmitted in two sections.

[3]For an account of the meeting of Dec. 7, see *Foreign Relations*, 1951, vol. IV, Part 2, p. 1434.

Recent developments have admittedly been disheartening: FonMin has failed make good his Dec 7 statement that new mtg wld be arranged "in a few days" in order further explore US proposal, and our hopes for early Oatis release have accordingly not been realized. Impatience over situation as indicated Deptel 329 Jan 3[4] is not only understandable, but is abundantly shared by all of us in Emb Prague where for past eight months welfare this unfortunate fellow citizen has been our constant worry and distress. Notwithstanding foregoing, for Emb now to take suggested initiative toward resumption discussions (before there has been any response to pending Amer proposal and, more pointedly, even before steps mentioned first para have been taken re steel mill and CSA) would risk encouraging Czechs to believe Oatis ante can be so substantially raised that to disabuse their minds thereof might (and probably wld) require lengthy argument and delay, in the end retarding rather than accelerating Oatis release, or so at any rate it seems to us here.

Fol factors appear especially pertinent to study of present position:

1. Three matters of prime econ interest to Czecho capable affecting Oatis negots are Czecho export trade to US; aviation access West Eur; and Czech assets in US. First two are covered in our Dec 7 Oatis proposal and last we have rightly refused relate to Oatis.

2. Czechs have apparently been using four weeks since last Oatis mtg to liquidate their assets in US and transfer proceeds away from Amer jurisdiction. Insofar as Emb informed by Dept, steel mill is largest item by far and also probably one of two remaining items. Until therefore US Govt action has been taken to block mill or proceeds thereof, Czechs may go on saying to selves "Why shld we resume Oatis talks?" That is, as long as Czechs see possibility transferring value this major asset from US jurisdiction (and hence from their point of view of escaping danger of US action if Oatis negots break down) Czechs may prefer continue efforts liquidate mill rather than pursue Oatis discussion. (Emb views re importance blocking Czech transfer of value mill and equally of our refusal submit possible Czech blackmail over mill, even if our refusal should delay Oatis release, are contained Embtel 494, Dec 24.[5])

3. Our Dec 7 Oatis proposal to FonMin includes offer restore US market for Czech goods. Daily loss of trade is substantial (possibly around $75,000 per day) and this must be felt by Czech, but as long as transfer of assets in US, especially steel mill, remains possibility, Czechs apparently willing continue accepting daily trade loss while pursuing mill proceeds transfer arrangements.

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[4]Telegram 329 expressed the fear that a continuation of the delay in the Oatis negotiations would give the Czech Government the opportunity to circumvent the economic and civil aviation sanctions imposed on Czechoslovakia by the United States. (249.1111 Oatis, William N./1-552)

[5]*Foreign Relations*, 1951, vol. IV, Part 2, p. 1437.

4. Failure Belgium, Holland and Denmark respond more helpfully re blocking Czech aviation is discouraging. While Czechs believe chance exists to obtain desired Copenhagen-to-Paris route, they may regard holding Oatis as good security toward resumption direct route if dog-leg negots finally fail, whereas if latter succeed, Czechs can tell us then no longer interested obtaining restoration direct route in exchange Oatis release. In that case, Czech might try substitute some new item for aviation item. So once again, until Copenhagen-to-Paris CSA project has been blocked, Czechs may ask selves "why hurry resume Oatis talks".

5. Two unrelated incidents without direct connection Oatis have unfortunately been added recently to scales against Oatis. In first place, US payment to Hungary for fliers[6] must have greatly encouraged Czech ransom hopes. Accordingly, expect that whenever Oatis negotiations resumed, FonMin may try to capitalize on this development. Similarly, all our future efforts on behalf other Amer cits in difficulties Czechoslovakia (Pvt Woods for example) have perhaps been rendered more difficult or more expensive by payment to Hungary for release of fliers.

Second incident, equally unhelpful in terms Oatis, was one last month involving personnel British Embassy Prague (Embtel 469, December 15[7] and previous). Results thus far: Disastrous humiliation British colleagues and corresponding impairment British prestige in Czechoslovakia, while "unmasking British-American espionage agents" by triumphant Czech Communists has probably convinced them anew that all Westerners including Western officials can be kicked around (and also shot at and wounded) with impunity.

6. While factors listed unfortunately do not justify revival hopes early Oatis release, picture is by no means all black. In case this character, temporary setbacks may be inevitable part of ebb and flow of embittered East-West relations. Granted circumstances prevailing Communist Czechoslovakia we cannot wish Oatis into freedom. In dealing with men now operating Czechoslovakia we cannot buy Oatis into freedom, except by mortgaging every other American in country. What we may do is to force Czechoslovakia into releasing Oatis, first by convincing them, (even if it takes time) that their dreams of blackmail won't be realized, and second my making it too uncomfortable and too expensive for them to hold him.

When Oatis case is finally over, I hope Dept will be able to declare not what it cost to ransom Oatis, but what penalty Amer Govt made Czechoslovakian Communists pay for abusing Amer citizen. Cost of Oatis to Czechoslovakia to date in lost trade alone is probably at least 5 million dollars, may be nearer 10 million dollars, and the pressure is still on. That is kind of computation Communists will eventually understand and it is likewise kind of understanding leading to respect by Communists for American rights.

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[6]See footnote 2, *infra*.

[7]Telegram 469 reported that two members of the staff of the British Embassy in Czechoslovakia, involved in an incident with the Czechoslovak police, had been shot, wounded, and subsequently expelled from the country. (601.4149/12-1551)

7. As immediate next steps, I accordingly again recommend that action (as described Embtel 494, December 24) be taken with reference to steel mill; and that Czech efforts to extend CSA air route south from Copenhagen be effectively blocked. With reservation that frequent reappraisal our position is desirable, I recommend that both those steps be accomplished before approach to FonMin suggested in Deptel 329 is given further consideration.

BRIGGS

No. 2

120.4351/12-2251: Telegram

The Secretary of State to the Embassy in Austria[1]

SECRET WASHINGTON, January 9, 1952—8:52 p.m.

1720. In view developments case US airmen in Hung[2] Dept does not think necessary call together urgent meeting chiefs of mission suggested Vienna's 2128 Dec 22 rptd London 127, Paris 219, Moscow 75, Bonn 36, Rome 104, Belgrade 53, Budapest 20, Praha 27, Warsaw 23.[3] However, Dept believes gen problems US relations with satellites highlighted by recent Hung action shld be considered by such a meeting at appropriate time, preferably early in 1952. Date and precise composition of meeting can be determined later.

Review of basic policy toward satellites wld be principal agenda item, along with subsidiary problem protection US officials and other natls in EE. Meanwhile Dept is considering what further measures may be taken against Hung in retaliation for Hung conduct recent plane incident. Wld appreciate from each mission comments (already recd from Vienna and Warsaw[4]).

ACHESON

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[1]Drafted by Campbell and cleared with Bonbright and Perkins. Repeated for information to Moscow, Warsaw, Praha, Belgrade, Paris, Rome, Budapest, Bucharest, HICOG Bonn, and London.

[2]On Dec. 28, 1951, the Hungarian Government released four American fliers who had been held in custody since their plane had been shot down over Hungarian territory on Nov. 19. For documentation concerning this incident and the U.S. response to it, see *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1468 ff.

[3]This telegram recommended the convening of an East European Chiefs of Mission meeting as soon as possible to consider the crisis resulting from the Hungarian treatment of the air crew and the Czechoslovak treatment of Oatis. (120.4351/12-2251)

[4]The comments received from Vienna were in telegram 2128; those from Warsaw in telegram 449, Dec. 24. (120.4351/12-2251 and 611.60/12-2451, respectively) Regarding additional replies, see footnote 1, *infra*.

No. 3

611.60/1-1552: Telegram

The Chargé in the Soviet Union (Cummings) to the Department of State

SECRET Moscow, January 15, 1952—7 p.m.

1183. Deptel 468, January 9.[1] Without having full knowledge many factors affecting our policy toward satellites both in general and in specific case of Hung, nevertheless, venture fol views:

Hung plane incident only latest of series provocations by Kremlin thru agency satellite govt. By contd maintenance dipl relation satellites, we make it possible Sovs to continue humiliate us in eyes its own and satellite populations at no risk USSR. Emb aware belief many persons that maintenance missions satellite capitals desirable as morale boosters for population. It seems doubtful people of Hung, however, were reassured re US by spectacle their puppet govt officials acting toward accredited US Govt reps in brazen rude manner in complete disaccord with traditional relations between govts.

Cessation dipl relations wld deprive satellite govts at least of our support their claim to independent sovereignty. Dept and missions concerned in better posit than we to assess importance continuation representation in present circumscribed conditions from standpoint polit . . . reporting. It wld seem likely most other functions OSR missions cld be carried on almost equally satisfactorily by protecting power. Practical absence trade relations shipping etc. and virtual impossibility protect our citizens lessen undesirability breaking relations.

In event such step were taken, we shld, of course, make clear our hope that time may come when we can again establish relations with a truly natl govt; that our action motivated by practical absorption govt by USSR.

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[1]Printed as telegram 1720 to Vienna, *supra*. Replies to telegram 1720 were also received from Bucharest (telegram 278, Jan. 12), advocating coordination with the British Government on supporting diplomatic immunity in Eastern Europe before convening a Chiefs of Mission meeting (120.4351/1-1252); from Warsaw (telegram 479, Jan. 12), suggesting diplomatic and economic measures to be used as leverage in Eastern Europe (120.4351/1-1252); from Belgrade (telegram 885, Jan. 12), recommending that the USSR be held responsible for all provocative actions taken by Eastern European governments (120.4351/1-1252); from Budapest (telegram 518, Jan. 14), advocating reprisals against the Soviet Union for Hungarian provocations (120.4351/1-1452); from Praha (telegram 550, Jan. 16), presenting a prospective agenda for the proposed meeting (120.4351/1-1652); and from Bonn (telegram 1393, Feb. 1), advocating joint Western European reprisal action against both the USSR and the Eastern European governments (120.4351/2-152). No replies from Paris, London, or Rome have been found in Department of State files.

Dipl rupture, to have maximum effect, shld be applied to satellites individually as appropriate time arrives. Plane incident wld provide good point on which base break with Hung.

Foregoing represents views majority officers here, some of whom were inclined contrarywise prior to recent events in Hung.

This whole problem, which is course applicable beyond plane case, cld profitably be thrashed out at chiefs of mission mtg.

Dept rpt interested missions.

CUMMINGS

No. 4

849.331/1-1652

Memorandum by the Special Assistant to the Assistant Secretary of State for Economic Affairs (Schaetzel) to the Secretary of State

SECRET [WASHINGTON,] January 16, 1952.

Subject: Blocking of Czech Steel Mill

Problem

Secretary Snyder may raise at the NSC meeting this afternoon the proposed blocking of the Czech steel mill, suggesting that this brings to the forefront the broad question of whether we should block all Soviet area assets.[1]

Background

The Czech steel mill is held in warehouse in the United States. It cost the Czechs approximately $17 million; they have now finished payment for the mill. There is no chance of their getting an export license to move the mill out of the country, and they know it. In the last few months there has been some indication that they have been moving their assets out of the United States.

Our objectives with respect to the mill are:

(1) To disassociate it from the Oatis case so that we are not placed in the position of using either the mill or its dollar value as ransom for Oatis.

(2) To see that the dollar value of the mill does not escape from U.S. jurisdiction, as it might if the Czechs were able to sell the mill

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[1]According to the memorandum of discussion at the 111th meeting of the National Security Council, Jan. 16, the subject of the steel mill was not discussed during the formal session. (Truman Library, Truman papers, PSF-Subject file) In a memorandum of Jan. 16, however, Acheson indicated to Schaetzel that he and Snyder had discussed the matter at the conclusion of the meeting and that Snyder had agreed to take the action recommended at the end of this memorandum. (849.331/1-1652) The formal letter conveying Snyder's decision to Acheson was dated Jan. 17. (849.331/1-1752)

to a speculator and perhaps make arrangements for payment through a Swiss bank.

(3) To relate the dollar value of the mill to the nationalization claims.

The present tactical situation in this matter is that NPA doubts whether it has legal authority to requisition this mill, which was tailored to European specifications, produces strip steel, which is not in particularly short supply in the United States, and would be very costly to convert for use in U.S. industry. As a consequence, we have been in touch with Treasury and requested that they take specific blocking action against the mill under the Trading with the Enemy Act, giving as justification that the Government is doing this while it explores how this mill can best be related to the general defense program.

As suggested above, Secretary Snyder's interest in this may be to consider the implications it has with regard to general blocking. We feel that this pitfall has been avoided by relating the blocking to only one asset and that, in turn, to the defense program. Our present position is one of opposition to general blocking of Soviet area assets for the following reasons:

1. We have not wanted to get blocking involved in the Oatis case because, as a practical matter, it would be difficult, if not impossible, to unfreeze Czech assets after the action had been taken.
2. General blocking in the case of Czechoslovakia, for instance, would undoubtedly create a public furor here which would force the United States into an across-the-board blocking of Soviet area assets.
3. Through export controls and import restrictions, specifically in the case of Czechoslovakia, Soviet area trade and dollar earnings are at an all-time low, so that by and large we are enjoying the practical benefits of blocking. Furthermore, there are certain commodities we are interested in getting from Eastern Europe. The present system permits the importation of these commodities, such as goose feathers from Hungary, while general blocking would make this importation extremely difficult.
4. Finally, we have felt it would be desirable to hold in reserve this last and most drastic weapon of economic warfare in case of more serious future need.

Recommendation

1. That Secretary Snyder be urged to take specific blocking action forthwith so that the risk of subsequent embarrassment to the Government of the escape of the dollar value of the mill does not occur.
2. That you indicate that the type of action proposed in this case does not seem to raise the question of general blocking.

No. 5

611.60/2-1352

Memorandum of Conversation, by the Officer in Charge of Polish, Baltic, and Czechoslovak Affairs (Vedeler)

SECRET WASHINGTON, February 13, 1952.

Subject: US Relations with the Soviet Bloc States

Participants: Representative James Richards, Chairman of the House Foreign Affairs Committee
Mr. McFall—H
Mr. Vedeler—EE

The Department's representatives met Representative Richards today at his request to give him information on the unreliable claims of Dr. Vojtech Krajcovic about an underground in Slovakia and the latter's connection with it. Krajcovic had published an article with many fabrications about the underground in the *Saturday Evening Post* for December 29, 1951 and had subsequently talked with Mr. Richards who referred him to the Department in order to discuss underground activities.

After we had presented information on Krajcovic, the conversation turned to the general subject of US relations with the Soviet bloc states. Mr. Richards expressed concern and some dissatisfaction about three points: (1) the apparent lack of activity on the part of the Department and other Government agencies in fostering an underground in the Communist states; (2) the inadequate extent to which the principle of reciprocity was being applied in our relations with Communist regimes; and (3) the doubtful advantages of continuing the maintenance of diplomatic relations with Soviet bloc governments.

As to the first of these points, Mr. Richards indicated that nobody in Congress knew anything for certain about whether the Department was supporting underground activities in the Communist countries. Sometimes very general references were made to the subject, but (and he expressed this complaint with feeling) his Committee was kept completely in the dark about what the Government agencies might be doing in this field. While recognizing the need for secrecy about such operations, he thought that the members of Congress immediately concerned were entitled to, and should be entrusted with, information and that it was time to cease treating them like children or irresponsible people. He cited the Atomic Energy Committee, which had received highly secret information and kept it securely, as an example to be followed in this connection.

With reference to our treatment of Communist states on the basis of reciprocity, it was suggested that the Department already followed this principle and a number of examples were mentioned. Mr. Richards acknowledged that this might be the case insofar as the satellite governments were concerned but believed that the Department did not go far enough along this line in dealing with the Soviet Union which was after all mainly responsible for making it so difficult for the US to carry on diplomatic relations with the countries of Eastern Europe. Pointing to travel restrictions, he asked why we had not already imposed a strict limitation on Soviet representatives in the US. We explained the Government's decision to take such a step, plans to discuss it with members of the House Foreign Affairs Committee and to announce it to the public, and the reasons for not acting sooner following the Soviet Government's notification on January 15 of new travel restrictions. The Congressman welcomed this decision but believed, as he said many others in Congress did also, that the action should have come earlier and that a strong statement should be made upon its announcement.

On the subject of continued maintenance of diplomatic relations with the Communist governments, the Congressman questioned whether the US was continuing to derive a net balance of advantage from having missions in the Communist countries. While we stressed various benefits to the US deriving from our diplomatic missions and also recalled that the National Military Establishment had a strong interest in seeing our missions continued, he considered that the question turned on whether the missions were supplying much information as observation posts. He doubted that they were doing so under the present limitations upon their operations. He tended not to be sympathetic with other arguments in favor of continuing to maintain diplomatic relations.

The Congressman reiterated that it was time to be tough with the Communist states and the Department should not wait until they have taken some action against us before we proceed against them. He declared that if the Department could not take strong steps to forestall a Rivers Resolution then he would himself hold a press conference making a demand for vigorous action, and might possibly introduce a resolution.

Comment:

Throughout the conversation the remarks of Mr. Richards revealed a growing impatience among members of Congress and particularly the Foreign Affairs Committee with the situation of the US in the East-West struggle and the growing importance of do-

mestic political considerations in the shaping of their views on foreign affairs at the present time.

Recommended action:

(1) That steps be taken by representatives of the appropriate agencies to inform on a highly confidential basis a select group of Congressmen, as was done with the Atomic Energy Program during the war, of our plans and operations in the covert field against international Communism;

(2) That a special effort be made by higher offices of the Department and the National Defense Establishment to present personally to influential members of Congress the views of these Departments on the question of continuing to maintain diplomatic relations with the Communist states so that there may be closer coordination of thought between Congress and the Government agencies on this subject;

(3) That copies of the Department's memorandum on application of the principles of reciprocity in relation to the Communist government be sent to Mr. Richards for the information of the House Foreign Affairs Committee.

No. 6

249.1111 Oatis, William N./2-1452: Telegram

The Ambassador in Czechoslovakia (Briggs) to the Department of State

TOP SECRET PRIORITY PRAHA, February 14, 1952—6 p.m.

616. FonMin Siroky sent me word yesterday that he wld like see me today and I met him this morning for hour and half at least 90 percent of which was devoted to discussion of steel mill.

I presented our current Oatis proposal[1] after declaring that after careful study last month's Czech suggestions, my govt offered agreement that in general wld return matters to situation existing prior Oatis arrest, which solution is based on our recognition of Czecho's desire expressed last Sept by Amb Prochazka to avoid appearance acting under pressure, and equally based on Czecho rec-

[1]Transmitted in telegram 351 to Praha, Jan. 19, the proposal offered: 1) to exchange Oatis for Czech prisoners held in the West; 2) to certify consular invoices permitting the import of Czech goods; 3) to resume issuing licenses for the export of U.S. goods to Czechoslovakia; 4) to grant permission for the overflight of the Czech airlines over West Germany; and 5) to initiate discussions concerning the unblocking of the Czech steel mill. (249.1111 Oatis, William N./1-1452)

ognition US not prepared accept any settlement resembling ransom payment.

After listening while interpreter read US Govt proposal which Siroky said wld receive careful study by himself and cabinet colleagues "especially Min of Finance", Siroky immediately launched into denunciation our steel mill action. He declared that in midst of Oatis discussions had come US Treas action about which Czecho not notified advance. He added Czecho not even yet officially informed as to precise nature step which he gathered is taken under US war powers. "Does US consider itself at war with Czecho?" he demanded.

I replied that steel mill action based on strategic considerations and importance of steel to natl defense and that it had no reference whatsoever to Oatis. As far as lack of notification in advance concerned, I was sorry if Czecho offended. As for effect on mill of US action, I said that with reservation I might not have full info thereon, I interpreted it to mean that whereas previously export of mill from US had been blocked, now mill has been seized by US Govt and if sold proceeds wld not be accessible to Czecho except thru some future agrmt "for example as suggested in point five of proposed agrmt." I also said that US action appeared similar in effect to that taken by Czecho several years ago when it confiscated US property in this country, except that seized Amer property was of much greater value than steel mill.

Siroky countered by declaring US action re steel mill "unprecedented, bellicose, and gross discrimination," last for reason that whereas Czecho action re US property was according to Czech law of general applicability in interests social welfare etc., US action is blow aimed exclusively at Czecho. All this he concluded wld have to be referred to Min of Finance and cabinet colleagues for consideration. He said I could expect to hear from him "within a few days", to which I replied I was entirely at his disposition until end of next week when I expected depart from Praha for approx two weeks absence.

At end of meeting I again requested access to Oatis. Siroky said: "When you last mentioned access I expressed hope Oatis wld soon be in your Emb and hence visit to him superfluous. In view of present situation I shall initiate necessary action with Min of Justice."

My comments: (1) Today's conversation indicates our steel mill action probably principal, not necessarily only, reason for long delay in Siroky appointment.

(2) Implication which Siroky evidently sought deliberately to convey throughout conversation was "no steel mill, no Oatis" not withstanding which I believe this remains to be seen. My com-

ments today shld have gone some further way toward extinguishing ransom hopes although conceivably they may not have killed them.

(3) For first time Siroky today referred to cabinet colleagues and Minister of Finance. This may have some significance as indicating for example that Siroky hopes get off hook by cabinet decision accepting compromise solution Oatis case responsibility for which wld be shared. (I recognize this may be wishful thinking on my part.)

(4) No comment whatever was made by Siroky re points 2, 3 and 4, that is restoration of *status quo ante* Oatis arrest thru terminating US actions taken. This failure to comment I interpret as tactics on part FonMin seeking minimize importance US concessions. I am by no means convinced that when other cabinet and party members, etc., start evaluating lost Czecho trade, aviation access western Europe etc., our offer may not carry considerable weight.

My recommendations:

(1) Although Czecho Govt shld now be quite thoroughly informed re steel mill action and its effect, shld official notification not yet have gone to Czecho Emb in Wash I suggest this be done.

(2) We shld by all means go forward with projected note re access (1) including Oatis as per Embtel 613, Feb 13.[2]

(3) Pending Czecho reply to today's proposals continued absence US publicity re these discussions shld be helpful. Conversely leak wld undoubtedly jeopardize chances success.

BRIGGS

[2]Telegram 613 proposed protesting Czech denial of access to Oatis. (249.1111/2-1352)

No. 7

120.251/3-752: Telegram

The Ambassador in France (Bruce) to the Department of State

SECRET PARIS, March 7, 1952—2 p.m.

5391. From EE Mission Chiefs. Fol is summary gen conclusions reached EE Mission Chiefs mtg March 6.

I. Policy toward satellites.

With objective weakening Sov grip on satellites, US shld, thru diplomatic means, more frequently resort to UN, propaganda, covert operations and use economic weapons, pursue fol lines of action: 1. Show continuing concern for satellite peoples; 2. Show distrust of regimes; 3. Exploit force of nationalism; 4. Encourage discordant tendencies within ruling groups fostering where feasible trends toward Titoism; 5. Exploit our position in Yugo as means of

exerting influence on satellites; 6. Make limited use of exiles where appropriate to support propaganda and covert activities; 7. Encourage selective defection and make adequate provision for satellite defectors and refugees; 8. Conduct policies and operations aimed at multiplying Sov difficulties in satellites and creating situation whereby satellite peoples will be of maximum assistance in case war; 9. Seek to disrupt economic plans of USSR in satellites; 10. Expose false Sov concern for legality re these countries; 11. While avoiding provocation, not be deterred from action serving best US interests for fear Sov reprisals; and 12. Seek to associate other western powers in pursuit our objectives and policies.

II. Maintenance and conduct of relations with satellites.

1. At present time advantageous maintain relations with satellites principally because missions serve as (a) sources of info; (b) channels of communication necessary pursuit US policies and protection US interests; and (c) evidence US concern for satellite peoples.

2. Recognized it may become necessary break relations if above advantages diminish to point outweighed by disadvantages involved in maintaining reps in hostile countries where they are mistreated and insulted and their effectiveness reduced. Developments which may be significant or decisive in determining when that point reached include: (a) Unjustified arrest and detention US official personnel; (b) interference with regular diplomatic communications between mission and US Govt; (c) treatment damaging to mission or dignity of US going beyond limit of acceptance.

3. US shld not tie its hand re circumstances which will bring decision to break. On other hand may be desirable let satellite govt know without publicity if certain course of conduct on its part likely to have that result.

4. Decision on maintaining or breaking relations will depend on circumstances surrounding each case. If break with one satellite, need be no automatic break with others or coordinated break by other western govts.

5. Consideration shld be given to arrangements short of break such as withdrawal of resident chiefs of mission from satellite caps, multiple accreditation of chiefs of mission, or reduction of missions to caretaker status.

6. As gen rule desirable for US chiefs of mission establish with satellite officials relations which are correct and provide ready access to satellite govts, maintaining firmness and dignity and leaving no doubt as to US views.

7. Restrictions and harassment of US missions shld wherever possible and practicable be met with speedy retaliatory action. Co-

ordinated action by other western govts sometimes desirable but in most cases shld not be allowed delay US action.

8. In conduct relations with satellites may be cases where intervention with Sov Govt useful altho existence diplomatic relations with satellites complicates such intervention. Action in US generally better way to make clear Sov responsibility for improper satellite behavior.

III. Propaganda.

1. VOA and RFE are of extraordinary importance for US policy in Sov orbit. They have separate functions to perform; their identity shld be kept separate in minds of listeners insofar as possible.

2. RFE activity may have direct bearing on maintenance relations with satellites. Implications of this shld receive urgent study.

3. VOA programs to Sov orbit generally well conceived and effective. Major emphasis shld continue on world news, developing unity and strength of free world, and explanation of US policies.

4. Commie propaganda having some success in USSR in "Hate America" campaign and implanting impression US driving world into world war III. In satellites, majority opinion continues pro-American and hope is for early liberation even through war. Thus VOA has essentially different tasks in combatting Sov propaganda in satellites and USSR itself. Particularly important counteract influence Sov propaganda on youth.

5. In speaking of question Germany and Ger rearmament, especially to Czechs, Poles, Russians, US info services shld stress safeguards against revival Ger power, especially integration Western Ger in European community progressively more united and inclusion Ger units in Eur Army dedicated to self-defense and peace.

6. Any US propaganda which contributes to weakening of Sov grip on satellites is worthwhile. Each satellite shld be dealt with according its own history; traditions and special circumstances.

7. Info services must avoid stimulation unjustified and premature action or hopes for early liberation which cannot be fulfilled.

IV. Means of retaliation and pressure.

1. US shld be prepared adopt measures of pressure and retaliation against USSR and satellites for purpose of:

(a) Securing relaxation of measures against US or nationals;
(b) Retribution for such measures;
(c) Deterring Commie govts from steps harmful to US interests; and
(d) Gen pursuit US policy toward Sov orbit.

2. Measures wld generally be directed against individual govts but in appropriate cases might be taken against both USSR and individual satellite or against whole Sov orbit.

3. US shld make maximum use retaliation in kind consonant with our standards of justice.

4. Retaliation shld be taken promptly as possible in order increase effectiveness. Where pressure applied for such purpose as freeing detained US citizen desirable apply such measures as can later be lifted, thus providing basis for negotiation.

5. Measures shld be used wherever possible as deterrents rather than retribution. Wherever feasible advance determination of points at which such measures wld be taken shld be made and secretly communicated to govt concerned or made public as circumstances require.

6. Fol measures shld be kept under continuing consideration for use:

(a) Seizure of assets;
(b) Curtailment of dol remittances;
(c) Further limitation or stoppage US export;
(d) Restriction on imports through delays in consular invoices and application of laws re slave labor;
(e) Blacklisting;
(f) Restrictions on travel of US citizens.

7. Taking measures by virtue our position in Ger and Austria has limited possibilities diminishing daily in view development relations with Ger and Austria.

8. Seizure of hostages not practical measures of retaliation and pressure particularly in US itself. Possibilities for such action exist in US zones Ger and Austria but do not appear promising.

9. Dept shld undertake full and continuing study of how to give maximum coordination and effect to actual and potential weapons of retaliation and pressure. Shld make inventory of weapons at our disposal and determine in advance, where possible, circumstances under which they cld be used.

10. Efforts shld be made coordinate US action with that of other Western Govts, it being recognized in some cases separate action more appropriate or effective. Study of problems shld be continued in NATO deputies.

V. Operation of missions.

A. Staffs.

1. Particularly important obtain best qualified personnel, selecting when possible some time before they proceed to posts.

2. Those who prove unsuitable for service in EE shld be quickly removed.

3. Desirable continue 2-year rule.

4. Staffs shld be kept to minimum necessary for functions missions expected to perform. Consideration shld be given reduction Moscow staff; however, civilian staff shld not be reduced without corresponding reduction service attachés staffs. Any reduction shld be carried out in such way as to avoid creating impression step taken in anticipation of war.

B. Protection of personnel.

1. Desirable provide diplomatic passports to staff personnel in certain countries. Realized that this may not afford full measure of safety unless diplomatic status recognized by foreign govt, but any step which decreases risks to which US personnel exposed is worth while.

2. Arrest of Western nationals on staffs Western missions in Rumania and Bulgaria matter of deep concern. Unjustified arrest and detention of US staff members wld make it impossible continue diplomatic relations with satellite govt concerned. In view developing situation, may be necessary cut staffs to skeleton size with diplomatic officers only.

C. Reciprocity in imposition of restrictions.

1. US shld take counter-measures wherever possible and practicable, applying roughly same restrictions on Commie personnel in US as are imposed upon our missions.

2. Efforts shld be continued to obtain joint action by Eastern govts wherever practicable.

D. Peripheral reporting.

1. PR units have proved valuable in supplementing reporting of EE missions and shld be continued.

2. EE Missions and PR units shld keep in close touch by periodic personal visits of missions reporting officer and exchange of reports. Shld also be maximum interchange of reports among PR units.

Effectiveness of PR shld be periodically reassessed, with attention given its value to other US agencies as well as Dept.

BRUCE

No. 8

849.331/4-452

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State[1]

TOP SECRET WASHINGTON, April 4, 1952.

Subject: Czechoslovak Steel Mill and Oatis Case

Problem:

To determine the Department's position with respect to a request of the World Commerce Corporation for authorization of a proposed purchase of the Czechoslovak steel mill.

Discussion:

World Commerce Corporation of New York, which has retained the legal counsel of General Donovan's firm of attorneys, has been having discussions for some time with the Czechs looking toward the purchase for a German steel company of a Czechoslovak strip mill, which has been under a blocking order of the Treasury since January 17. We were informed on April 2 by General Donovan that Mr. Frank Ryan, President of World Commerce, had reached agreement with Czechoslovak representatives at Zurich on a proposed transaction pending approval of the US Government and issuance of the necessary Treasury license. The proposal is as follows:

The US Treasury would issue a check for $10 million to the Chase National Bank under instruction to transfer this amount to the Union Bank of Switzerland for the account of the Czechoslovak seller upon authorization by Ryan. At the same time a Düsseldorf Bank would open an irrevocable letter of credit valid for six months with the Chase International Bank in favor of World Commerce. The latter would reimburse the US Treasury as soon as drawings might be negotiated under the letter of credit. The mill would thus be sold by World Commerce to Internationale Maschinenhandel Gmb.H., Düsseldorf, in Western Germany. In the negotiations Ryan expressed the personal opinion entirely on his own initiative March 26 that the transaction could be concluded under the commercial conditions discussed only if Oatis were released within 10 days after conclusion of the agreement. On March 29 the Czechoslovak delegation stated to Ryan that the Czechoslovak Government was prepared to release Oatis provided that the proposed contract was concluded.

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[1]Drafted by Vedeler and cleared with Bohlen and Jack C. Corbett, Deputy Director of the Office of Financial and Development Policy.

The disposition of the steel mill has been a problem for this Government ever since 1948. The Czechs concluded a contract with the United Engineering and Foundry Company in 1947 (before the Communist coup in Czechoslovakia) for construction and purchase of the mill, and completed payment for it, amounting to about $17 million with storage charges included, in December 1951. The Czechs endeavored in 1948 to obtain a license for its export to Czechoslovakia but this was denied by the US Government. From that time the Czechs apparently did not give up hope of obtaining the mill in some manner or other until the latter part of 1951, when they first began to make realistic efforts to sell the mill. When we learned there was a prospect of its sale and the escape of the proceeds from US jurisdiction, the specific blocking action was taken.

In the course of the discussions on the Oatis case at Prague the Czechoslovak Foreign Minister introduced the question of the steel mill and hinted at getting its release as part of the arrangements for freeing Oatis. We consistently opposed this effort, taking the position repeatedly that the disposition of the mill or its proceeds had no connection with the Oatis case. We have indicated to the Czechs both in oral discussion and by *aide-mémoire*[2] that after a settlement of the Oatis case, including an exchange of persons and lifting of our main retaliatory measures, the US Government would be prepared to discuss with the Czechoslovak Government outstanding financial problems with a view to reaching agreement on them, including the steel mill or the proceeds from its sale and compensation for nationalized American property in Czechoslovakia.

The press and members of Congress have raised the question of the relation of the Oatis case to the disposition of the steel mill or proceeds from its sale. There has been a particular interest to learn whether we were using this as ransom to get Oatis free. We have always taken the position in recorded hearings and in correspondence with members of Congress etc, that we were not so doing and that the Oatis case was something entirely apart from the matter of the steel mill.

Insofar as any relationship has existed between the two, the Czechs have endeavored to establish it and we have tried to disabuse them of the notion that they could use the release of Oatis to get the steel mill or its proceeds. To drive this home with the Czechs was one of our motives in blocking the mill.

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[2]Reference is to the proposal made by Briggs at his meeting with Široký on Feb. 14; see Document 6.

The Department has long sought a means by which the asset of the mill, the only sizeable Czechoslovak asset in the US might be utilized in a settlement of our financial claims against the Czechoslovak Government. We would probably be willing to settle these claims for $25 million. The decision was taken more than two years ago to utilize this asset and possibly our control over Czechoslovakia's share in the gold pool distribution as a leverage or offset to obtain satisfaction of American financial claims against Czechoslovakia.

It was on this basis that discussions were held with Treasury, and Treasury agreed to the blocking action on the understanding that if the mill were sold the proceeds would go into a blocked account. If these proceeds are allowed to go freely to the Czechoslovak Government, it probably means that American claimants will lose by a corresponding amount since little other pressure for obtaining settlement is available.

World Commerce Corporation had earlier been in touch with the Department about negotiation of the purchase of the mill. Its representatives had been encouraged by the Department to pursue this possibility but had been informed that a license would be issued only on condition that the funds for payment go into a blocked account. They tried to negotiate with the Czechs a purchase on this basis but when they were met with a negative response they introduced entirely on their own the proposal that Oatis be released in return for a free transfer of the funds to the Czechs. World Commerce thus appears to be trying to buy the authorization of this Government for the proposed transaction by the promise of the release of Oatis and at the same time to make the proposal acceptable to the Czechs by the promise of a free transfer of proceeds.

If we should authorize the transaction as proposed by World Commerce, it might be argued that the transfer of the proceeds to the Czechs represented only a recovery of a property to which they still possess legal title under the blocking order and that the US in agreeing to the deal only removed a pressure measure which it had imposed through the blocking action since the imprisonment of Oatis. This argument might have considerable appeal to many representatives of the press and to many others who are impatient with the Department's lack of success so far in obtaining the release of Oatis. The immediate sale of the mill to World Commerce, apparently the only party seriously interested in acquiring the mill at a reasonable price, might avoid any problems such as future custody of the mill, its retention as a possible white elephant, and wastage of the asset for lack of customers.

On the other hand, such authorization would doubtless appear as ransom to those in Congress and among the public who had previously sought and obtained the Department's assurance that everything would be done to obtain the release of Oatis except to pay ransom and that the steel mill was not being used in any way in connection with our efforts in behalf of Oatis. It would accordingly be necessary in case of authorization to prepare the ground carefully with appropriate members of Congress. If the mill should be utilized in this way exclusively for the benefit of Oatis, members of Congress . . . might well question the Department's sincerity. . . .

Our approval of the sale would also mean that the Czechoslovak Communists might well feel the claim that they had won out against the US in the Oatis case after all. The Communists have attempted from the beginning to use Oatis as a bargaining asset to extract something from us which they did not have before his arrest. To them it must mean the getting of $10 million which they had probably expected otherwise to lose. If the proposed sale goes through it would accordingly almost inevitably be regarded by the Communists as a triumph over the US Government and a gaining of ransom. It might be expected, as our Embassy at Prague suggests, to set the pattern of US relations with the Communist regimes of Eastern Europe making it more difficult for our missions and for any American citizens who in the future may be imprisoned by the satellite governments.

Alternative Courses of Action:

Under the foregoing circumstances the following courses of action are possible:

I. Disapproval of the proposed sale, together with an approach as soon as possible to the Czechoslovak Government at Prague. Ambassador Briggs would be instructed (see attached telegram[3]) to inform Foreign Minister Siroky that the proposed transaction involving Oatis could not be authorized by the US Government; that a basis mutually to the interest of the two Governments had already been proposed in oral discussion and by *aide-mémoire* of February 14 for solving the Oatis problem and for dealing with the steel mill (that is, exchange of persons in US and Czechoslovak custody, lifting of our main retaliatory measures imposed since imprisonment of Oatis, and subsequent discussion looking toward a general financial settlement including disposition of the proceeds of the steel mill in the context of claims for compensation for nationalized

[3]No telegram was found attached to the source text; a marginal note indicates, however, that this memorandum was submitted to Acheson by Perkins on Apr. 4, and that the recommendation in the concluding paragraph was approved by the Secretary. Telegram 440 to Praha, Apr. 4, contained the essence of the approved recommendation and bore Acheson's signature. Presumably it is this telegram that is under reference. (249.1111 Oatis, William N./4-352)

American property); and that since disposition of the steel mill or proceeds from its sale is a matter apart from the release of Oatis, the only possibility for the Czechs to sell the mill and utilize the proceeds would be on the basis of having the funds put into a blocked account and considered in relation to our financial claims.

General Donovan would be advised that the transaction in the form proposed was regarded as contrary to the national interest and no authorization could consequently be given for the sale unless the proceeds were transferred to a blocked account. World Commerce should make this clear to the Czechs in any further discussions with them about the sale of the mill in accordance with the position we would take with the Czechoslovak Government at Prague in discussing this matter with the Foreign Office.

II. Authorization of the proposed sale.

Recommendation:

We believe that on balance Alternative I above is the right course and recommend that it be adopted as the Department's position, and that you sign the attached telegram.

No. 9

249.1111 Oatis, William N./5–2852: Telegram

The Ambassador in Czechoslovakia (Briggs) to the Department of State

TOP SECRET PRAHA, May 28, 1952—6 p.m.

821. Purpose this telegram is survey Oatis negotiations in broader perspective, supplementing previous messages, especially those beginning Embtel 737, Apr. 15.[1] Immediate possibilities include:

1. Stalemate. On April 15 Foreign Minister Siroky declared "steel mill blocking order must be settled before considering other matters". This cuts across our Feb 14 proposal[2] last paragraph of which declares after Oatis case settled, US Govt prepared discuss financial problems including steel mill. For nearly six months Czechoslovakia has ignored our representations about Oatis (except access) and has failed reply or show any indication interest in Feb 14 proposal. During same time Siroky has made great to-do over steel mill, his May 22 note insisting proceeds remain unblocked and demanding "immediate and unconditional access to funds".[3] There is thus possibility of continuing impasse and while I believe we eventually would win on this front, eventually might mean

[1]Not printed. (249.1111 Oatis, William N./4–1552)

[2]See footnote 1, Document 6.

[3]In reply to the U.S. proposal of May 10, Široký sent a seven-page note of rejection to the Embassy. (Telegram 459 to Praha, May 2; 249.1111 Oatis, William N./4–1752) A summary of the note was transmitted in telegram 812 from Praha, May 24. (249.111! Oatis, William N./5–2452)

some time, especially if mill remains unsold. (Foregoing not intended imply our note replying Czechoslovak May 22 note should not be along line suggested Embtels 816, May 27 and 819, May 28[4]).

2. Alternative possibility might be "package deal" involving simultaneous acceptance by Czechoslovaks of our Feb 14 Oatis proposal, and by US of plan based on Siroky May 22 proposal.

a. Respective agreements concerning Oatis and financial matters would be separate but made simultaneously providing for acceptance our Feb 14 proposal and for accepting Czechoslovak May 22 proposal with important proviso that entry into effect of financial arrangements would take place say 30 days after exchange of persons.

b. Financial arrangement would consist of release proceeds mill against Czech agreement deposit 8 percent beginning that date, with negotiations for detailed claims settlement to be undertaken in Praha immediately.

It has always been Dept's position that once Oatis case settled other problems susceptible to adjustment. Furthermore, primary objective in blocking steel mill last January was to force Czechoslovaks reach agreement on nationalization claims, which objective wld have been achieved. In end, cost to Czechoslovakia in lost trade will have far exceeded present value of mill which Czechs may recoup under proposal. Consequently, Embassy's suggestion does not imply retreat from position of no ransom for Oatis.

Whether two-step package deal can be sold Siroky, of course, remains be seen. From his point of view arrangement offers obvious advantages including ability tell Cabinet primary Czech objective holding Oatis had been reached, namely funds for steel mill unblocked.

There are, of course, variants of foregoing but in no case do I believe we should agree to anything short of release Oatis as first step.

In this general connection I desire again suggest consideration of our next moves would be facilitated by my proceeding to Washington for consultation.[5]

BRIGGS

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[4]Both telegrams recommended against allowing the proceeds of the steel mill sale to appear to be used for a ransom payment for Oatis' release. (249.1111 Oatis, William N./5-2752 and /5-2852

[5]Briggs returned to Washington for consultation in mid-June. For a record of his conversation with President Truman on June 18, see *infra*.

No. 10

611.49/6-1852

Memorandum of Conversation, by the Ambassador to Czechoslovakia (Briggs)

CONFIDENTIAL WASHINGTON, June 18, 1952.

Subject: Ambassador Briggs' call on President Truman

Participants: President Truman
Ambassador Ellis O. Briggs

At the White House, following my call on the President, and with his consent, I made the following statement in response to inquiries by correspondents:

I said that the President and I had discussed Czechoslovak/U.S. relations in general, including the Oatis case. The President expressed his continuing concern for Mr. Oatis' welfare and declared that as long as Oatis remains in prison it will be impossible to have satisfactory relations with Czechoslovakia. The President also expressed interest in the welfare of Jan Hvasta, a young American citizen and war veteran who was tried in Czechoslovakia on an espionage charge in 1948 and has been in prison since then.

Having conveyed the foregoing to correspondents in the White House lobby, I repeated it in substance for television outside.

During approximately fifteen minutes with the President he asked numerous questions concerning conditions in Czechoslovakia, the state of public feeling, difficulties of operating our Mission, et cetera. I also took occasion to outline the proposals we have been discussing in the Department and which are now pending clearance for use in Prague on my return.[1]

[1]Reference is to a refinement of the second alternative suggested in telegram 821 from Praha, *supra*. The two draft agreements suggested by Briggs were finalized during conversations between Treasury Secretary Snyder and Secretary Acheson. They were transmitted to Praha, where Briggs had returned, in telegram 506, June 28. (249.1111 Oatis, William N./5–2652) Briggs presented the proposals to Široký on July 1, according to telegram 5 from Praha, July 2. (249.1111 Oatis, William N./7–252)

No. 11

Editorial Note

Having received no response to his proposals of July 1 (see footnote 1, *supra*), Briggs, who was destined for a new assignment in Korea, addressed, with the approval of the Department of State, a

letter dated August 20 to President Gottwald appealing for action on the Oatis case. A copy of this letter, to which the Czechoslovak Government did not respond, is contained in telegram 43 to Praha, August 18. (249.1111 Oatis, William N./8–1452) Briggs departed Praha on August 27, leaving Nat B. King in charge of the Embassy. On August 29, King received a categorical rejection, transmitted to the Department in despatch 84, August 29, of the July 1 proposals. (249.1111 Oatis, William N./8–2952)

No. 12

249.1111 Oatis, William N./9–1552: Telegram

The Chargé in Czechoslovakia (King) to the Department of State

TOP SECRET PRAHA, September 15, 1952—6 p.m.

167. We have been considering advisability capitalizing on Czech request for agreement new Wash Amb, and following has occurred to US:

1. Suggestions in Embtel 145 Sept 2[1] were prompted in part by hope Dept's position in NY bank case could be reversed and prompt action taken in order provide suitable climate for our suggested counterproposals and to prevent present impasse from solidifying. Bank case now seems to be so complex that any possibility of a quick settlement is remote if not impossible.

2. We believe that we must now recognize that Czechs loss of US trade has had no decisive effect. Stopping this trade has probably only caused them to accelerate planned reorientation Czech trade with east and to recognize they cannot at this late date regain lost US markets to any appreciable extent. Furthermore, Czechs have seemingly become reconciled to permanent loss of German overflights (Embtel 166 Sept 12[2]). The above, and exchange of Czech prisoners in Germany (which never really interested Czechs), have been our principal bargaining points in Oatis case. Without withdrawing our Sept 2 suggestions for an across-the-board settlement we are of the opinion that Dept might consider an alternative plan by which we could take advantage of fact that for the first time in over a year Czechs are asking us for something—i.e. *agrément* for new Amb.

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[1]Telegram 145 offered the opinion that the Oatis case had become so intertwined with the economic issues that a comprehensive proposal should be made to clear them all up at once. (249.1111 Oatis, William N./9–252)

[2]Telegram 166 reported that the Czechoslovak Government had asked the Pan American Airlines office in Praha to cease operating. (911.5249/9–1252)

3. We have repeatedly told Czechs that relations with US will continue be impaired so long as Oatis is imprisoned, last time being Amb Briggs ltr of Aug 20 to Gottwald (Embtel 112 Aug 20[3]) which was, like most everything else connected with Oatis case, pointedly ignored. Czechs in rejecting our July 1 proposals[4] set out "prerequisites" to continuing any further negots on US-Czech differences. We wonder if time has not arrived for us to prove it means what it says and flatly and unequivocally state that release of Oatis is condition present to solution any US-Czech differences.

4. By suspending payments on surplus property agreement Czechs now have undoubted tactical advantage and ironically enough are requiring US Govt itself provide dlrs which we wished deprive them of by ceasing certification of invoices, and which can be used operate Czech Wash Emb, when in fact Czechs obliged supply funds for operation US Prague Emb. It is not unrealistic to assume that any acquiescent US attitude will be interpreted by Czechs as weakness on our part, and willingness our govt put up indefinitely with Czech truculent behavior (Embtel 112 Aug 20). We believe we cannot with any sense of dignity indefinitely overlook deliberate and calculated Czech policy of ignoring practically all US requests—access to Oatis, access to Bergen, request for Oatis to send ltrs to wife thru Emb, request for payments under surplus property agrmnt, ad infinitum.

5. It would seem logical take no action on Czech request for *agrément* shld Dept believe there is any merit in alternative course outlined in para three above. In any event favorable action on Czech request might be delayed so long as Czechs ignore our request for access Oatis.

6. This tel drafted before Deptel 74 Sept 12[5] recd and we are proceeding immediately request *agrément* Amb Wadsworth. Independently of this we thought Dept might find foregoing of interest.[6]

KING

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[3]See the editorial note, *supra*.

[4]See footnote 1, Document 10.

[5]Telegram 74 reported that George Wadsworth had been selected to succeed Briggs at Praha and instructed King to request an *agrément* for him. (123 Wadsworth)

[6]In a memorandum of Sept. 23, Bonbright presented King's recommendations to Acheson, commenting that such action would surely delay acquiring an *agrément* for Wadsworth. Acheson instructed Bonbright to "proceed as you think best." (Secretary's Letters, lot 56 D 459, "B–C") King was accordingly instructed in telegram 92 to Praha, Sept. 30, to make oral representations designed to revive the negotiations in the areas of the steel mill, compensation of U.S. citizens for nationalized property, trade, and overflights of Germany and Austria by the CSA. (249.1111 Oatis, William N./8–2952) At the request of the Czechoslovak Government, he presented these representations in the form of a memorandum, dated Oct. 9, transmit-

Continued

No. 13

748.00/9-2352: Telegram

The Ambassador in Poland (Flack) to the Department of State

SECRET WARSAW, September 23, 1952—5 p.m.

148. Current intensity of hate America campaign in general and more particularly recent newspaper articles (Embtel 140 Sept 20[1]) and speech by prosecutor (Embtel 141 Sept 21[2]) in trial of alleged Martyka assassins vilifying US, its Govt and Emb, on the basis of distorted testimony and entirely unwarranted inferences wld normally call for some type of official protest.

However, it is obvious any protest by Emb to FonOff of a type appropriate in countries with greater respect for normal standards of courtesy, international intercourse and truth than found in orbit wld be entirely fruitless here. Any protest wld undoubtedly be answered by references to freedom of the press in Pol, lack of governmental responsibility for speeches by prosecutors, etc. At worst, it might lead to opening up with Pol Govt of bitter controversy of a type which cld only endanger continued performance basic functions of our Mission here. We consider, therefore, that at this time, hate Amer campaign can be best met by VOA either by rejoinder or, positively, by presentation true US attitude and position.

However, failure on our part to take official note of scurrilous attacks when made by leaders of the Pol Govt, such as PriMin Cyrankiewicz in his Sept 21 recovered territories Congress speech (Embtel 144, Sept 21[3]), involving vilification of US Govt and making specific ref to President of US, cld be construed as sign of weakness not only encouraging repetition but perhaps inviting undue aggressiveness on part of orbit unwarranted by developing position of Western strength.

I recognize, of course, that in general Pol policy is determined by that of USSR and Pol cannot be considered an independent force. However, our retention Mission here is based in part on our desire to keep alive concept of Poland as an independent sovereign power

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ted to Washington in despatch 138, Oct. 9. (249.1111 Oatis, William N./10-952) The *agrément* for the new Czechoslovak Ambassador, Karel Petrželka, was meanwhile granted, and he presented his credentials on Oct. 24.

[1]Telegram 140 quoted from an editorial in *Zycie Warhzawy* concerning the Martyka murder trial then in progress. (748.00/9-2052)

[2]Telegram 141 summarized the closing speech, Sept. 20, of the prosecutor in the Martyka murder trial. (748.00/9-2152)

[3]Telegram 144 transmitted a summary and excerpts of Cyrankiewicz' speech. (748.13/9-2352)

and this presumption of sovereignty carries with it certain obligations and responsibilities. Pol officials themselves make much of the sovereignty of Pol and cannot deny this.

I suggest, therefore, that the Dept consider the desirability of reacting to Martyka attacks and Cyrankiewicz's speech or utilizing next similar speech by Pol President or PriMin (every indication is that there will be more such speeches during present Pol "election campaign"[4]) for some action along following lines:

A. Have Secy himself call in Pol Amb.

B. Have Secy tell Pol Amb curtly and without discussion or specific refs something like the following: "The Govt of the United States has taken particular note of the irresponsible and unfounded charges made against the US in public addresses by the highest officers of the Pol Govt. Whatever may be the domestic or international purposes for which such speeches are made, the voicing of such charges is inconsistent with the sense of responsibility expected of an independent sovereign member of the family of nations."

C. Allow the general substance of this to leak out to the American press without anything by way of official announcement. Such a declaration to the Pol Amb in Wash delivered at appropriately high level might serve following purposes:

a. Prevent development of any idea on part of orbit that failure to protest abusive language is sign of weakness and thus contribute perhaps, in small way, to discouragement any Russian moves based on assumption of Western weakness.

b. Make clear to leaders of Pol Govt that rhetoric of type employed by them is of character for which at some time and under certain conditions they must be prepared assume responsibility. It is not impossible this might have some iimited tendency to cause some measure of restraint.

c. Help in making American people aware the position their Govt without involving publication formal statement which might be unduly inflammatory or encourage too-heated feelings on part either of dissidents within iron curtain or people in West.

d. Avoid entering into controversy as to details which might tend, unless carefully controlled, to assume form of campaign of name-calling or mutual recriminations or retaliations.

e. Indicate firmness our position but be limited enough to prevent any complaints by Eur Allies re undue precipitancy.

I make this suggestion of course on the basis of limited info available here and may be impracticable in light of overall policy factor involving Sovs and the orbit as a whole. It reflects my reluctance to allow attacks such as those made in Martyka trial and that made by PriMin to pass unnoticed, coupled with full recogni-

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[4]In accordance with the provisions of the new constitution, approved by the Sejm on July 22, national elections were scheduled for Oct. 29.

tion of necessity of avoiding any action which might jeopardize basic objectives our underlying policy.

FLACK

No. 14

748.00/9-2352: Telegram

The Secretary of State to the Embassy in Poland[1]

SECRET WASHINGTON, September 26, 1952—6:44 p.m.

44. After careful consideration Dept does not think time appropriate *démarche* suggested urtel 148.[2] Formal protests against charges in propaganda trials and also against attacking leading Amer personalities by Pol press and govt leaders were made repeatedly by Emb and Dept 1946–1948 period and were without any lasting effect.

Factor in Dept's conclusion is that gen tone and intensity these attacks, if not in every case their specific content, are set in Moscow, and problem therefore is orbit-wide. In absence any outward and visible signs moderation Sov propaganda fol Amb Kennan's recent protest doubt Pol commie leaders cld afford to get out of step with rest of bloc.

Additional factor this case is Cyrankiewicz personal vulnerability as pre-war anti-Stalinist. Formal US protest fol closely on his remarks wld very possibly serve as encouragement to him rather than deterrent, since he probably feels necessity to out Kremlin the Kremlin in anti-Amer propaganda.

Dept agrees these scurrilous attacks shld not pass unnoticed, but in present situation considers best vehicle for answering these propaganda excesses is VOA.

ACHESON

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[1]Drafted by Dillon and cleared with Barbour, Pratt, and Vedeler.
[2]*Supra*.

No. 15

Secretary's Letters, lot 56 D 459, "B-C"

Memorandum of Conversation, by the Chief of Protocol (Simmons)

CONFIDENTIAL WASHINGTON, October 24, 1952.

Subject: Call on the President of the newly appointed Ambassador of Czechoslovakia

Participants: The President
His Excellency Dr. Karel Petrzelka, Ambassador of Czechoslovakia
Mr. Karel Brus, Third Secretary, Embassy of Czechoslovakia (Interpreter)
John F. Simmons, Chief of Protocol
Mr. K. Charles Sheldon, Division of Research for USSR and Eastern Europe (Interpreter)

The newly appointed Ambassador of Czechoslovakia called on the President at 12 noon today in order to present his credentials. He entered, presented his documents to the President and awaited the President's first words.

The President said that relations between Czechoslovakia and the United States were not good. He spoke of his own First World War experience, saying that he liked and admired the first Czechoslovak Government, formed after that War. He had always thought particularly highly of its democratic and friendly character. This situation, however, was not repeated after the Second World War, following which the present Czechoslovak Government came into existence. He described this Government as having been formed on the basis of the outrageous treatment which Czechoslovakia received on the part of the Soviet Union.

The Ambassador said that he did not like to contradict the President, but that Czechoslovakia's relations with the Soviet Union were those of an ally. He felt it necessary to set forth his view that the Soviet Union's actions were in no way outrageous. They occurred, he said, in a spirit of alliance and of the constructive programs, based on the friendly, democratic relations between the two countries.

The President said that he could not agree but that, if he knew his recent history well, the Czechoslovak Government is no longer democratic at all, but rather is a totalitarian state. He said that he could not have any sympathy for a totalitarian regime, in any form or shape. He could only express the hope for improvement when Czechoslovakia might once more be a free and democratic nation.

The Ambassador answered that he did not wish to get into an argument with the Head of a State, but nevertheless felt that he must insist that he considered the present Czechoslovak as free and democratic and as responsible to the will of its people.

The President said that even if he and the Ambassador could not agree on this issue, he wished to emphasize his hope that the Ambassador's stay here would be fruitful and conducive to better relations, wishing him luck in this regard.

The Ambassador expressed to the President his thanks for receiving him.

No reference whatever was made to the Oatis case.

The Ambassador's attitude during the entire interview was courteous and respectful.

JOHN F. SIMMONS

No. 16

764.00/11-2852: Telegram

The Minister in Hungary (Ravndal) to the Department of State

SECRET BUDAPEST, November 28, 1952—4 p.m.

478. Dept's attn drawn to lead article in Nov 21 *Cominform Journal* on criticism and self-criticism which would seem to be either a call for or preliminary announcement of Slansky type purge in other satellites. While emphasizing the value of criticism "at grassroot level", examples given point clearly to Pauker and Luca in Rumania and Slansky group in Czecho. Exposure right deviation in Rumania was "example of consistent application of principled criticism". Article goes on to say that criticism and self-criticism in People's Democracies "have not everywhere acquired necessary scale".

This would seem to point finger clearly at Hungary. Practically all accusations against Slansky could be made against Rakosi, Gero and/or other top leaders. Russian dissatisfaction with economic progress and deliveries to Sov Union more and more open (re Legdes 271, Oct 21[1]). Anti-Semitic angle particularly pertinent here where top leadership almost solidly Jewish. Moreover, Gero, Farkas, Hazi, Gabor Peter, Nogradi and probably others were in Spain.

However, it can be argued that Rajk was Hung's Slansky and local press repeatedly makes this point in comment on Praha trial (Warsaw press apparently featuring Gomulka in same role). There is also problem of who would replace top leaders who would be eliminated in purge. Many observers feel that new group of younger men has not yet been trained. Rapid rise of Hisas is perhaps significant in this respect.

RAVNDAL

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[1]Despatch 271 provided a summary of political, military, and economic developments in Hungary during the third quarter of 1952. (764.00/10-2152)

No. 17

249.1111 Oatis, William N./12-1252: Telegram

The Chargé in Czechoslovakia (King) to the Department of State

TOP SECRET PRAHA, December 12, 1952—6 p.m.

302. Fol is our assessment effects Slansky trial on two principal points at issue between US and Czechoslovakia, viz., compensation claims and Oatis:

1. Loss of trade with US has had no decisive effect on Czechoslovakia (Embtel 167, Sept 15[1]) and Slansky trial makes any Czech official who sincerely endeavors resume trade with US, except importation strategic commodities, liable charge of "economic sabotage." Same true of any official willing make just settlement nationalization claims. It therefore seems improbable present regime will, under present circumstances and within foreseeable future, be in position to voluntarily either resume trade with US or settle nationalization claims. As Czechs appear reconciled loss overflights Germany (Embtel 167) three main pressure devices used so far (restrictions on US-Czech trade, denial overflight, seizure steel mill to force compensation settlement) have now failed. This is evident since Czechs on Aug 28 rejected our July proposals and have failed respond our Oct efforts resume negotiations (Embdesp 138, Oct 9[2]). In present situation we really have nothing left with which to "negotiate."

2. For over a year US officials, including President, have been telling Czechs relation with US cld not improve so long as Oatis jailed. Apparently this has not caused Czechs slightest concern since they have deliberately proceeded to make relations still worse by suspending payments under surplus property agreement, closing and seizing additional US business interests etc., for none of which has US retaliated. To date our effort to negotiate settlement has only caused Czechs make increasingly more unacceptable counterproposals and at same time to take countermeasures which now overbalance our actions. Czechs now have the advantage.

3. We are now more convinced than ever that time has arrived for US unequivocally state that release Oatis is condition precedent to solution any US-Czech differences (Embtel 167) and thereafter act accordingly by:

(a) Sequestering Czech share Brussels gold pool against compensation claims (we shld refuse even discuss such action until Oatis released);

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[1]Document 12.
[2]See footnote 6, *ibid.*

(b) Ascertaining if, by refusing make payments either in crowns or dollars, Czechs have unilaterally repudiated surplus property agreement; and

(c) If so, block Czech funds in US (Embtel 109, Aug 18[3]) and stop foreign exchange and all other dollar remittances.

4. Any decision to adopt strong measures naturally raises question whether they would cause Czechoslovakia sever relations. We think Czechs will break relations whenever they no longer derive benefits from their Washington Embassy (which in effect now financed by US) regardless what steps US may take. Among benefits they derive from Washington representation is to maintain fiction of "independence and sovereignty" of which US Embassy Praha is tangible "proof" and on which they may place considerable value as a remnant of Czechoslovakia's diminishing international prestige.

5. Although Gottwald's position appears stronger since trial and Commies seldom worry about being consistent, nevertheless he and his cohorts can not reasonably be expected openly make themselves liable to same charges used convict Slansky and company. Regime may therefore be expected be far more cautious than ever in granting any concessions whatsoever to US unless they can extract large *quid* for any *quo*. "Concessions" wrung from US after we take the initiative, which we have lost, might tempt Czechs sufficiently to bring about release Oatis, our present primary objective. In our opinion US must both adopt much tougher attitude and at same time accede to some of Czech proposals if for no other reason than to provide face-saving device for any Czech official bold enough to concede anything to US.

KING

[3]Telegram 109 recommended blocking all Czech funds in the United States in response to the cessation of Czech payments under the Surplus Property Agreement. (124.494/8-1852)

No. 18

611.49/12-3152: Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State[1]

SECRET PRAHA, December 31, 1952—10 a.m.

320. Supplementing Embdesp 233, Dec 29.[2]

In private conversation with President Gottwald following formal ceremony (re Deptel 153, Dec 15[3]), I mentioned my sincere desire resolve, with his government's help, many problems between our countries, ranging from claims to blockings, from trade to travel and air transport and of course Oatis case.

Re Oatis case I said had learned Mrs. Oatis addressed to President direct personal appeal that sentence be commuted to expulsion in accord with Czech law. I hoped keenly this might be done. I asked specifically if petition received and if President felt could be acted on favorably. He replied in substance had received petition; cld not act on it alone; had referred to appropriate authorities, namely Minister Justice. I asked to be informed either thru FonMin or directly by Pres secretariat of outcome and Pres assented.

Pres then said wished raise two questions. First div to do with a steel mill which to him indicated US-Czech relations not good even before Oatis case. I replied that two cases in fact overlapped in time and suggested two possible solutions: Since mill as strategic material under US law cannot be exported to certain countries (a) Czecho could sell it in US or other country to which exportation not prohibited by law; or (b) if Czecho preferred, US Govt might be able expropriate mill at price fixed by fair appraisal. In either case, proceeds could be credited to Czecho.

After some confusion in translation, Pres said however matter presented it appeared as already one of substantive confiscation by US.

Pres then asked: What about spies you are sending to this country? They are many; they come armed; some have murdered. In reply I said had read three Czech notes to Embassy containing such allegations; my only information was contained in replies Washing-

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[1] Wadsworth, who was appointed to replace Briggs on Oct. 8, presented his credentials on Dec. 29.

[2] Despatch 233 contained the same substantive information as telegram 320. (123 Wadsworth, George)

[3] Telegram 153 instructed Wadsworth to use the occasion of his presentation of credentials to urge Oatis' release and the normalization of relations. (249.1111 Oatis, William N./12-1552)

ton directed Embassy to make. Altho admitting that throughout history all countries engaged in overt and covert intelligence activities, I stated categorically Embassy engaged only in former in accord with proper diplomatic practice; covert intelligence by US to other countries not its business. Nevertheless I said would be available always to transmit to Washington views Czecho on any subject.

Comments by President and Foreign Minister confused in translation but gist was that agents and spies sent to Czecho by US CIC. Czechs had room filled with arms and apparatus of obvious US origin seized with arrested agents and I could be shown room and some spies so might report to Washington. FonMin added would send me new long list names agents supplementing those previously sent Embassy. Those activities also antedated Oatis case.

Significantly both Pres and FonMin made point of saying did not accuse Embassy of being engaged this espionage activity and in fact knew this not to be case; but matter obviously militating against good relations between two countries. I made no further direct reply, merely saying I wished work with FonMin to improve relations. Pres said could see my predecessor had not left me white, i.e., clean, desk.

After pause, Pres came in form of question said "and you take position improvement relations must depend on settlement Oatis case" I replied that altho case of high importance to American people, I did not wish it considered only problem I hoped work on with FonMin.

I took this opportunity to inquire whether Louwers case might provide precedent in considering Mrs. Oatis request for commutation sentence to expulsion. Pres and FonMin exchanged comments, evidently familiar with case, but not prepared for question. Answer as finally given by interpreter was non-committal.

Ending conversation Pres indicated general willingness facilitate my mission. In retrospect I am not greatly encouraged as to prospects Oatis release. On other hand, I certainly am not discouraged. Later in discussion this *démarche* with my British and Dutch colleagues they commented, on basis personal experience similar cases, it was most effective possible in circumstances and estimated "odds success about 50–50".

Full memorandum of conversation being hand-pouched tomorrow.[4] Department may wish instruct me telegraphically whether it would wish me accept invitation, if again extended, to visit collection arms and equipment allegedly seized with apprehended spies.

WADSWORTH

[4]Not printed.

No. 19

611.49/1-2053: Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State

CONFIDENTIAL PRAHA, January 20, 1953—7 p.m.

340. (1) Following are highlights my conversations had during past week when making initial official calls on Soviet Ambassador Bogomolov, Prime Minister Zapotocky, Vice Foreign Minister Sekaninova and Chief Foreign Office American Secretary Pudlak. Embassy Counselor, Political Secretary and I estimate their overall result is at best only outside chance Foreign Office may be willing seek with us at last partial resolution current Czech-American issues, including Oatis case.

(2) To Bogomolov (who possesses all qualities Soviet proconsul) I outlined objectives my mission very much along lines I used with Foreign Minister Siroky and President Gottwald (see Embassy despatch 233, December 29[1]) emphasizing that I hoped I might succeed on working level despite major East-West differences; and I frankly asked his advice to how I might best proceed.

Department will be interested his reply which was in substance: (a) We, i.e. US Embassy, do not intervene in Czech internal affairs and (b) As Czech Government has concluded trade agreements with other western governments, e.g. Belgium, which envisage settlement nationalization claims, it would seem that, assuming mutually attractive trade proposals, similar US-Czech trade agreement would be in order.

Having, however, read Stalin's recent *Economic Problems of Socialism in the USSR* and noted particularly that "things will soon reach the stage where these (i.e. Soviet) countries will have no need to import goods from capitalist countries" we have our fingers crossed.

3. My discussion with Prime Minister Zapotocky was far more interesting; Embassy officers and I believe it most significant exposition Czech policy yet heard since degeneration US-Czech relations following Oatis trial. I report his remarks on basis brief notes taken during conversation, he himself having taken notes during my presentation as follows:

Despite our differences on high political level re Atlantic Pact and similar problems, Czech Government view is that trade relations with West can exist. Among such problems is included the

[1]See footnote 2, *supra*.

question, "Is war inevitable?" My view is same as Stalin's, namely "no."

However, US Government must recognize that blockade harms both parties, namely he who blockades and he who is blocked. This recognized, trade between us can be encouraged but only if within framework normal relations, namely, if economic rather than political objectives be sought by US Government and if, as in all matters mercantile, they be to mutual advantage.

This means also that Czech Government, while accepting principle of compensation for nationalization, must insist, because it has no gold or available foreign exchange, that payment of compensation be only in form percentage total binational trade, e.g. as prescribed in recent accord with Belgium.

As to other facets our deteriorated relations, my frank and sincere view is that all are connected, whether we like it or not, with Oatis case. While we hold his sentence was proper, this does not mean it cannot be commuted, as in Dutch and other cases.

"As to Mrs. Oatis' petition,[2] I would not consider it proper to grant it at this time." (*Note:* These were exact words as translated to me by excellent interpreter.)

In our view this Oatis case has become political question because of US Government actions, e.g., in denying Czech planes right overfly Western Germany. Consequently, it has become "matter of prestige" to both sides. "Solution will be difficult but we must try to find a way out." (*Note:* I asked "How?" Prime Minister finessed as follows.)

Oatis sentence was not primarily revenge against him as an individual but rather a warning to others, namely, to other foreigners. Consequently, it is not really important that he be held.

Instructions were given our Foreign Minister to discuss all this with your predecessor, Mr. Briggs. Therefore, despite all difficulties, I believe we can maintain relations.

As to steel mill we must, of course, accept payment its value. We recognize existence present international tensions; your law re strategic materials is a consequence thereof. Hence, if international situation cannot be changed, we must accept its consequences and recognize that only [garble] of value of mill and not its physical delivery is possible.

As to all these and other questions (*Note:* I had mentioned also travel and blocked accounts) you should seek settlement with Foreign Office, but your task will be difficult because of lack of confidence on both sides. It will not be easy for one side to agree to do

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[2]Not found in Department of State files.

something on simple promise of the other to do something else later on.

For instance, even were your government to arrange renewal overflights Czech airplanes, how could we be sure your military authorities in Western Germany would not three or four months later on another pretext prohibit them again?

Here Prime Minister ended his answer to my opening presentation, then added, seemingly with less sincerity and as hardly more than an afterthought for the record: "And with your NATO and Marshali Plan policies how can you expect us to have confidence?" I answered as he rose to terminate visit that, if I could find on working level with Foreign Office formula agreeable my government, he need have no doubt as to our living up in letter and in spirit to all undertakings.

4. Two days later when paying first courtesy calls on Sekaninova and Pudlak, I told them briefly of foregoing conversation and asked that the serious thought to working out with Embassy formula I might submit to Department. Sekaninova as I am told is her wont was wholly noncommittal except in saying that should I wish to discuss any matter with Foreign Minister she was "sure he would receive me as he had always received my predecessor."

5. In pressing my point to Pudlak my seemingly most effective approach was along following line: Let's compare our differences to woven rope; to unravel it we must start at one of its two ends; one of these is basic economic approach i.e. let's get our trade relations back on even keel and, then, we will have framework for settling nationalization claims, for granting visas necessary travel to both countries by US and Czech business representatives (if Oatis case settled by his expulsion, as petitioned by his wife, under Czech law), for re-authorizing over-flight Western Germany of Czech civil airplanes and for mutual unblocking financial accounts (e.g., on our part, such Statni Bank monies in US as are clearly property Czech Government and, if steel mill sold in US, proceeds such sale [garble] on Czech part, FLC and US Army crown accounts).

Other end of rope, I continued, might be this very matter of blocked accounts; if we could agree on this point perhaps we could then work backwards towards general trade understanding within overlapping sectors our respectively restricted foreign trade possibilities, US sector being necessarily limited qualitatively by US law prohibiting export strategic materials (e.g. steel mill) and Czech sector being even more limited (quantitatively) by state planning which envisages for 1953 80 percent total exports to Eastern [garble] (as against percentages which increased from 30 to 70 during years 1947 to 1952).

6. In later connection I ventured suggest to Pudlak that I felt I could properly recommend to Department that it grant diplomatic immunity to Czech Government funds in New York branch Statni Bank if he could guarantee thereafter free Embassy drawings against FLC credit.

Embassy would particularly welcome Department's authorization for Counselor King to pursue this line with Pudlak if, in fact, Department is disposed grant such immunity. If we are correct in our estimate, to succeed in breaking deadlock we must have Department's assistance. One side must be first to give; and we see no sign Czechs willing do so.

7. Believe Department better able than we to estimate foregoing report. In a way I have stuck my neck out while playing this overture by ear; but I have compromised no fundamental principle or policy. At same time, in overriding interest Oatis case, I have taken some very dirty cracks re our world policies, limiting my answers largely to hope "we might agree to disagree on such matters and get down to business."

I shall take no further action except under Department instructions unless, as seems improbable, Foreign Minister asks me to call for further discussion.

WADSWORTH

No. 20

611.49/1-2853: Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State

SECRET PRAHA, January 28, 1953—noon.

351. 1. Since sending my telegram 340 January 20[1] I have had one week mostly in bed with worst case flu my 36 years Department's service. Tonight I am giving my first formal official dinner (for my NATO colleagues). Meanwhile I have had ample, if feverish, time consider what my next move should be.

2. To recapitulate past moves:

(a) I saw Foreign Minister, and I presented my letters to President Gottwald (please see details reported my despatch 233 December 29 and letter to Barbour referred to therein[2]); and

(b) I made official calls on Polish and Soviet Ambassadors and on Czechoslovakian Prime Minister, Vice Foreign Minister and Chief

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[1] *Supra.*

[2] See footnote 2, Document 18.

American Section Foreign Office (please reread my telegrams 328 January 8, 340 January 20 and 342 January 21[3]). These calls averaged one hour each, as did some 30 others exchanged with diplomatic colleagues. I think I have my feet on or very close to the ground.

3. The analysis suggested in my earlier telegrams cannot be very far off beam namely, it is at best doubtful that this Czechoslovakian regime wishes—and, even should it so wish, would be permitted by Moscow—to resolve, through normal diplomatic negotiations, those various issues (from trade, steel mill and blocked accounts to Oatis case and civil aviation) now clouding our relations on working plane; even were Foreign Minister (as is also doubtful) willing "to agree to disagree" with me on such stratospheric questions as capitalism, imperialism, NATO, Korea and relative merits of Christian vs Leninist revelations. (*Note:* We here are in midst propaganda splurge commemorating 29th anniversary Lenin's death, in which President Gottwald, dealing inter alia with "character of American imperialism" commented: "America today becomes center of world reaction, main instigator of new world war and greatest enemy of national freedom and democracy").

4. It would seem to follow that, if I am in position render any service to crystallization US policy vs this country, it can probably best be by proving my foregoing analysis to the hilt i.e. not by modifying my tactics towards table pounding re Oatis (or Field, see my telegram 348 January 23[4]) but rather by continuing "normal" wholly straight forward diplomatic negotiation.

5. To this end I should appreciate Department's approval (with detailed guidance) to my calling on Foreign Minister to present both orally and in first person note argument along following lines (*Note:* For convenience Department's reference I indent and number paragraphs of suggested note):

Subparagraph 1. Mr. Minister, this is my first opportunity to speak with you since presenting my letters to President Gottwald. I was particularly glad you were present at that interview.

Subparagraph 2. Since then I have had long helpful conversations with your Prime Minister and Vice Foreign Minister and with Chief your American Section. I was given to understand that you would receive memos of those conversations. I have also talked at length with a number of my colleagues.

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[3]Telegrams 328 and 342 dealt respectively with conversations held by Wadsworth with the Polish Ambassador to Czechoslovakia, Grosz, and with officials in the Czechoslovak Ministry of Foreign Affairs. (601.4849/1-853 and 611.49/1-2153)

[4]Telegram 348 inferred that the Department of State should inquire at the Czechoslovak Embassy in Washington concerning the whereabouts of the Field family. (249.1111 Field/1-2353)

Subparagraph 3. In all these conversations I made same point I made to you in our initial conversation, namely that I hoped to be able resolve on working level half dozen or more issues now clouding our relations and "to agree to disagree" on such questions of high policy as to whether NATO is aggressive in intent. Could we not, I asked, best leave these questions to Marshal Stalin and Gen Eisenhower? All seemed to agree, as I trust you do, at least in principle.

Subparagraph 4. What then are those half dozen questions I should like to settle with you on working level? First, as I see it, is to get trade re-established, i.e. buying and selling on both sides, within those sectors of our economies where this is possible under our respective laws.

Subparagraph 5. If this can be done, then, as your Prime Minister said to me, a percentage of your total exports to US could be earmarked towards paying off, over the years, appropriate compensation claims. Your Prime Minister assured me both that your government recognized this principle and that you are authorized to discuss its implementation with me.

Subparagraph 6. Let us assume that agreement on these points can be reached. If so, it seems obvious that buyers and sellers of each country must visit the other. This in turn would mean that both countries would naturally relax present passport and visa restrictions. I can say that my government is quite prepared to do so.

Subparagraph 7. It would mean also I suggest that you would feel more disposed to act favorably on Mrs. Oatis' petition[5] that within Czechoslovakian law her husband's sentence be commuted to expulsion. This would seem only reasonable if other Americans are to visit your country on missions of trade. But that is advancing the order of my argument; I will with your permission return to Oatis case a bit later.

Subparagraph 8. To resume my presentation: Trade and travel once agreed on would I submit logically lead us to mutual unblocking of accounts, including FLC PMT agreement, and to my governments reauthorizing flights of civil airplanes over our zone of West Germany.

Subparagraph 9. On this latter point, I can assure you as of now that, once my govt has reauthorized such overflights, it should be relatively simple matter to arrange similar reauthorization for British and French zone overflights.

Subparagraph 10. On former these last two points, mutual unblockings, I have already assured Pudlak I would be glad recommend positive action by State Department if he would undertake that so soon as such action had resulted in freeing your Statni Bank accounts, your Finance Minister would permit renewal Embassy drawings against FLC credit. Other similar arrangements would naturally follow, e.g. for your free use of such dollars as you may receive when selling your $15 million steel mill now deteriorating in storage in US.

Subparagraph 11. Further as to this steel mill, with respect to which you will recall President Gottwald questioned me, let me say

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[5]Not found in Department of State files.

I was relieved to hear your Prime Minister say he recognized it must be sold. I can assure you that, if you wish, my government stands ready facilitate such transaction within framework any general settlement such as I am now suggesting.

Subparagraph 12. Let me now return to Oatis case, as President Gottwald did at my meeting with him when he said in substance that any general arrangement must hinge on its settlement. Your Prime Minister too said specifically that this was so "whether we liked it or not", and he explained his point by adding that "to both governments it has become a matter of prestige".

Subparagraph 13. Mr. Minister, when taking leave of your Prime Minister I both thanked him for his clear exposition of your government's position and I said that, while certain elements of rebuttal were forming in my mind, I wished to think them through carefully before replying.

Subparagraph 14. I have done so, and I wish now to endeavor in all sincerity to rebut his suggestion that considerations of prestige may force him to refrain from recommending favorable action on Mrs. Oatis' petition.

Subparagraph 15. How, I ask you, can Czechoslovakian prestige be involved when her petition begs only that government act only within its own law and that it take an action (i.e. commutation of sentence to expulsion) which it has already taken in similar cases?

Subparagraph 16. How, I ask also, can you now consider that my government's prestige is involved when, with all the authority given me by my letter of credence, I assured your President that I hoped sincerely he would be able to view her petition favorably.

Subparagraph (Note for Department only: There is, I feel, a deeper argument on this score but obviously not for use here, namely: (A) That, as Czechoslovakia is not a free agent, there is nothing it can do which can truly affect our prestige; and (B) that, as prestige is primarily matter enjoyment esteem our fellows and peers, as Russia and its satellites are neither fellows nor peers and as we enjoy esteem all other nations, we need have no qualms on this score).

Subparagraph 17. If all this be so, Mr. Minister, and that is my true conviction, I trust you will fix an early date when with our experts we may discuss just how the general lines of settlement I have outlined, or similar ones, can be implemented to benefit our two countries.

Subparagraph 18. I leave with you Mr. Minister this first person note recapitulating my thoughts and proposals.

6. If presentation along these lines does not get us anywhere, I shall feel I have proved, beyond reasonable doubt, analysis of situation given in paragraph 3 above.

7. It may seem like trying cross stream before getting there, but I wish end this message with suggestion as to what we might do if failing achieve Oatis release through approach along foregoing lines. You should, I suggest, direct me to call on Foreign Minister, or perhaps better Prime Minister, and present both orally and in written memo form statement along following lines.

My *démarches* to President Gottwald, to yourself and to your Prime Minister, made with full consideration for all diplomatic proprieties and Czecho Government's susceptibilities as to its prestige and inviolability its laws, having failed to elicit any evidence of desire on part Czecho Government to effect, in general, any improvement in relations between our two countries and/or, in particular, to arrange expulsion of William Oatis in consideration his wife's recent petition to President Gottwald, I am directed by my government to inform you:

Subparagraph A. That I have been recalled to Washington on consultation where it is intended that I shall remain unless and until Oatis is released;

Subparagraph B. That, unless and until such release be effected, my government will continue in effect the US Treasury order freezing any proceeds which might result from sale of steel mill purchased by Czechoslovakian Government and now stored in US;

Subparagraph C. That, similarly, my government will also block payment to Czechoslovakia of some $18 million now due that country in further liquidation of allied looted gold pool;

Subparagraph D. That Czechoslovakian Government will in due course be informed of such further measures as US Government proposes or may propose take in light present circumstances.

Subparagraph E. That, unless Czechoslovakian Government desires discuss with me personally subject matter this communication, I hereby request my passports for immediate departure; and finally

Subparagraph F. That this communication is in no sense an ultimatum but rather a single statement of facts and consequences as my government sees them.

8. Obviously an approach such as this latter is susceptible of several permutations as to subject matter and drafting. I submit it as indicative of our present line of thinking. This same observation applies as well to outline of note in paragraph 5.

9. A third major line is of course possible, i.e. to withdraw from position which former administration—and notably President Truman himself—has taken in making release of Oatis *sine qua non* of any *détente* in US-Czechoslovak relations. My two foregoing action suggestions have been premised on that essential.

If however withdrawal therefrom be postulated, I venture to offer two thoughts and those only because they seem of general relevancy as well as apposite to this possible third policy line:

Subparagraph A. I was impressed, when visiting our commanding general in Berlin last month, by almost axiomatic nature reply which he (daily dealing with such matters on front-line basis) made to my hardly more than casual enquiry as to what he thought he might be able to do to free a West Berlin kidnapee believed to be in hands East Berlin authorities.

General's reply was in substance: We have done and will keep on doing everything possible to get him out, but he knew, and he knew we knew, he was living dangerously. It was obvious to us all that just what had happened might well happen. In these circumstances, we cannot make his case key consideration our zonal policy; there are too many other, many of them were more important, issues at stake.

I wondered at the time if at sometime during my forthcoming service in Prague this line of thinking might not have to be applied to Oatis case. Chapter 4 of Dana Schmidt's *Anatomy of a Satellite* and other comment I have heard as to Oatis crusading spirit suggest that he too knew he was living dangerously.

Subparagraph B. During my 8 months last year on policy planning staff I could not but acutely sense heightening crisis in East-West conflict and, incidental thereto, especially after Kennan incident, approaching imminence of necessity decide whether we would not better serve national interest by breaking diplomatic relations with Kremlin and its satellites.

The point I wish to make, within framework this thought, is that before rupture, if such be decided, we should try every reasonable approach to effect Oatis release; but, if such attempts fail, we should not be deterred by such failure from following, with respect to Czechoslovakia, line which major policy considerations dictate we should adopt towards this basically evil Kremlin world.[6]

WADSWORTH

[6]In telegram 189 to Praha, Feb. 9, the Department suggested that Wadsworth concentrate primarily on Oatis' release, rather than on a package deal, and take as his point of departure with the Czechoslovak authorities subparagraphs 14 and 15. (611.49/1-2853)

No. 21

764.00/2-253: Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

SECRET

Moscow, February 2, 1953—7 p.m.

1110. In light satellite purges, . . . mentioning good prospect one of largest about to come off soon in Hungary, it occurs to us it might be beneficial if Tito and his associates as among few Comintern birds to escape Soviet chopping block could start to crow if not to sing. They might publicly cite their experience of impossibility of dealing with Soviets and pour scorn on others for waiting too long at their peril, warning those to jump who still can. They could at least point out that satellite aggressive policy against Yugoslavia

[1]Repeated to Budapest and Belgrade.

carried out at Soviet behest against community Balkan interests has been rewarded by disgrace and personal disaster. Object would be not to start premature popular revolt but to add to discomfiture satellite leaders who are expendable whatever risks they might care to run.

BEAM

No. 22

764.00/2–1953

Memorandum Prepared by the Staff of the Legation in Hungary[1]

SECRET BUDAPEST, February 19, 1953.

A. What can we hope to accomplish in Hungary?

1. We can maintain a spirit of opposition and passive resistance to the present regime which will prevent Moscow from putting any real trust in Hungary or have any confidence in the stability of the government or loyalty of the armed forces in case of war.

2. We can *not* hope to build up a resistance movement or other type of active opposition which might overthrow the present regime in any foreseeable future.

3. *Under present circumstances*, we can not hope for a successful defection from Moscow, a la Tito. If following an Austrian peace treaty, Soviet troops were withdrawn from Austria, Hungary and Rumania, the possibility of fostering a Titoist movement could be re-examined.

B. How do we do it?

A careful analysis of the local situation does not reveal any new methods or new agencies which would substantially improve the efficiency of our operations. Therefore our objective should be to continue our efforts to improve our present methods based primarily on the Voice of America. Our primary appeals should be addressed to:

1. Hungarian nationalism and sense of Western identity, which are the basis of liberation hopes.
2. The deep religious feeling of the general public, both Catholic and Protestant.
3. The working class with its strong Social Democratic tradition.
4. The peasants who are bitterly opposed to collectivization and government control of their every activity.

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[1]Transmitted in despatch 512 from Budapest, Feb. 19, in anticipation of Ravndal's departure on Mar. 5 for consultations with officers of the Department of State. Ravndal returned to Budapest on Apr. 12.

5. The Youth which appear to be surprisingly resistant to Communist propaganda.

HUNGARY: SITUATION AND OUTLOOK

Hungary is currently in the grip of serious political and economic crises in the sense that its origins are in Prague and Moscow and not primarily in Hungary. Until the Slansky trial, it appeared that the Hungarian Communist Party would work out the current phase of the endemic struggle for power in a more or less peaceful manner. Rakosi's position as uncontested leader seemed to be accepted by Moscow and Gero was reduced from a rival for leadership to merely one—although perhaps still the most influential one—of the small group of lieutenants who ran the Party and Government under Rakosi's leadership. Istvan Hidas had risen rapidly in the influence and appeared to be the heir apparent. It seemed likely that a Party Congress would be held early in 1953 to revise the Party Statutes and organization in line with the decisions of the 19th Party Congress in Moscow,[2] and to confirm and formalize the new power relations which had developed.

The injection of the issue of anti-semitism into the picture through the Slansky trial and the Moscow doctors plot has had particularly serious repercussions in Hungary because of the predominance of persons of Jewish origin in the top ranks of the Party, Secret Police, Army and Foreign Office. On Moscow's insistence the following have already been removed from office and probably arrested: Politburo member and head of the Planning Office Zoltan Vas; head of the Secret Police, Gabor Peter and several of his top aides; Minister of Justice Desci; Deputy Minister of Defense, General Nogradi; and probably other Generals, and several leaders of the Jewish community. It seems likely that this purge will spread both up and down as one person implicates another. The only thing which may check it is the inability to provide replacements for all the Jews in the Hungarian regime.

Thus the prospects for the coming year must be frightening for Rakosi and his associates.

The economic crisis is no less serious than the political one. While the two are not yet directly linked it appears inevitable that they will become so.

The economic difficulties arise from two separate sets of causes. First, there are the almost insuperable difficulties of fulfilling the overambitious five year plan. Signs of trouble appeared during 1952, particularly in connection with export deliveries to Moscow and the satellites. The desperate efforts made in the final quarter

[2]The 19th Party Congress opened on Oct. 5 in Moscow.

to fulfill the plan for 1952 were apparently too much of a strain both mechanically and personally. Stocks of raw materials were used up without thought of the future, maintenance was neglected and manpower was exhausted physically and morally. The result has been a bad slump since the beginning of the year, affecting chiefly the key steel and coal industries. Repercussions in other branches of industry are already visible. Accentuating this crisis is the food shortage resulting from the crop failure of 1952. While it would be an exaggeration to speak of famine, the situation is serious, particularly in the rural districts where crop surrender decrees were brutally enforced leaving the peasants without any reserves for seed or their own food supply. Lack of feed and fodder is creating a critical situation for livestock, the effects of which will extend far into the future. But the most serious aspect of the agricultural crisis is not the crop failure and the food shortage resulting therefrom, but the growing evidence of a breakdown in the agricultural plan. Fall plowing and sowing were not completed and it is doubtful if the deficiencies can be made up this spring. Most significant, the failures were worst in the collective and State farms and in the all important machine tractor stations. The latter, after falling down on their plowing and sowing plans in the fall, are being accused of neglecting their winter overhaul and maintenance plans. This, of course, forecasts difficulties in the spring planting. An early spring may save the situation but all the elements for a real disaster are present.

The economic crisis, both in its industrial and agricultural aspects, appears to be basically one of morale. The regime has exhausted the reservoir of public acquiescence, to say nothing of good will. The people are no longer moved by the time worn propaganda appeals designed to get more work out of them. Work offers and work competitions have become "burocratic" which means they exist mainly on paper. The feasibility of the Plan is being defended in the press—which means it is being questioned.

Judging from the example of the Soviet Union, which generally is slavishly followed in Hungary, the answer to the morale breakdown will be terrorism. This means a series of mass trials covering the economic field from top to bottom in which the charges will be "wrecking", sabotage, criminal negligence, etc. etc., with the United States being the responsible instigator in the background. It is at this stage that the two crises, political and economic, will be linked and reinforce and support each other. Titoism, Zionism and bourgeois right wing Social Democratism will be blamed for the economic breakdown, as in the Slansky trial.

Left to his own devices, Rakosi might revise the Plan to provide more consumers goods, develop food production and check the

downward trend of the standard of living. Since the war he has followed a policy of gradualism or "salami" tactics, using brute force and terror only when necessary. But it is doubtful whether the Soviet Union will permit such a revision. More likely, terror and suppression will be used extensively for some time to come and only the blessing of unusually good crop weather will in the better years relieve the lot of the hapless Hungarians. The long range trend will be toward a lower standard of living and a widening gulf between the regime and its subjects.

Military

The Hungarian Army is now at a strength of 185,000, including an estimated 10,000 men in the Air Force. In addition to the Army there are the following fully and partially trained (militarily) personnel available in the Security Forces: State Security Authority—20,000; Frontier Guards—15,000, giving a total of 220,000 men available on M Day. The number of reserves available is difficult to assess. There are a certain number of soldiers who have been inducted and trained since the beginning of the current increase in strength. This number is estimated at a minimum of 150,000. All these men have been trained on Soviet weapons and in Soviet tactics. In addition it is estimated that there are another 400,000 soldiers from the last war that are battle trained and could be used in an emergency. These men, however, have not as yet been trained under the current conditions. The mobilization potential is therefore estimated at 550,000 exclusive of the current strength of the army.

The Sovietization of the Hungarian Army is practically 100%. The uniforms and insignia follow Soviet patterns. The weapons, although some of the small arms may be manufactured in Hungary, are all standard Soviet type (in certain cases as with other satellites, the Hungarians are being equipped with older type Soviet arms, while the Soviets make use of the new developments). All training is believed to be along the line of Soviet doctrine and it is firmly believed that Soviet advisors are found in all the principal directorates of the Ministry of Defense, schools, and at least in Corps and Division Headquarters. The higher level schools for staff and command are located in Russia and many officers of lower grade attend other schools in that country.

Although it is dangerous to assess the value of an army about which so little is actually known the following is believed to be fairly accurate and to represent a fair estimate. This is the writer's appreciation and is not necessarily concurred in by the Department of the Army.

"The Hungarian Army is not at present capable of conducting a major campaign alone".

The following factors were used in arriving at the above statement.

(1) Despite its apparent mobilization strength, the army does not possess enough equipment to present this strength as a balanced force.

(2) Many of the senior commanders are political appointees and lack the experience and knowledge to command effectively a large force.

(3) There is a serious lack of competently trained staff officers.

(4) There is a shortage of trained instructors and technicians.

(5) Overall morale of the army is only fair and no estimate can be made of the reactions of the individual when confronted with actual war against the Western powers.

It should be noted, however, that all the above factors are such that they can be corrected in time. It is the opinion of this office that the Hungarian army is presently undergoing a consolidation phase. The strength is such that it cannot be increased without putting a severe strain on the industrial economy or until the administrative and logistic sides of the picture are brought into equality with the tactical side. When this consolidation phase is completed it may be expected that the above factors will have been partly removed and the Hungarian army will present itself as a fighting force to be reckoned with strongly. This does not mean that the present Hungarian army should be underestimated, but simply that at the moment while it would be of value to the Soviets as additional troops, the value of them lies mainly in their numerical strength rather than their ability.

Economic Defense

The Battle Act[3] and other export control measures are aimed at denying to the Soviet Bloc strategic materials and other commodities which might serve to increase the Soviets' war potential. To a large extent those measures have been successful, but important leaks still occur through black market channels. Blackmarketeers are usually paid in dollars or Swiss francs. Therefore, any measures which reduce the net dollar earnings of the Soviet Bloc will decrease its ability to buy strategic materials.

To this end, the following measures are proposed:

(1) The requirement of licenses for US imports from Soviet Bloc countries. In this way the United States could restrict such imports to essential items, a practice which the Soviet Bloc has employed

[3]Reference is to the Mutual Defense Assistance Control Act of 1951, P.L. 82-213 (65 Stat. 644), Oct. 26, 1951.

for some time. Non-essentials, such as embroidered blouses and stemware, might then be imported from non-Stalinist countries, increasing their dollar earnings.

(2) Pressure on Hungary and other Soviet Bloc countries to pay their debts to the United States.

(3) A new approach to the Hungarian Government requesting compensation to American nationals for property nationalized by Hungary and for death, personal injury, deprivation of liberty and property damage sustained by American citizens in Hungary during World War II (Legdes 325 Nov. 19, 1952[4]).

Import controls could be used for bargaining purposes; e.g., the United States could offer to license the import of certain non-essential Hungarian goods in exchange for a Hungarian commitment to pay claims and debts to the U.S., Sweden, Switzerland and France, for example, collect for their claims against Hungary by deducting a certain percentage of the proceeds of Hungarian exports to their countries.

Previous suggestions for reducing Hungary's dollar earnings were made in Legation despatch No. 53, July 25, 1952.[5] In this connection it should be noted that AJDC remittances to Hungary ceased last month and that Hungary's dollar income from IKKA and gift parcels is believed to have declined substantially in the past year. If import controls on commodities from the Soviet Bloc were introduced, there would be no need to consider the withholding or suspension of consular invoices on certain Hungarian goods, as was suggested in the Legation's despatch. The same grounds—presumption of dumping and forced labor—might be used, if some justification, other than the fact that import controls are practiced by the Soviet Bloc, is considered necessary.

Possible Repercussions. The action proposed will annoy the Soviet Bloc and may provoke retaliatory measures. There can hardly be a reply in kind, since the Stalinist countries already exercise import controls. A break in diplomatic relations for this reason is unlikely. In Hungary, there might be additional harassment of the Legation, a demand for further reduction of its personnel and/or a stop to forint withdrawals against Hungary's War Surplus Property debt to the United States. The latter move would increase the cost of operating the Legation by about $250,000 annually. However, the Legation has accumulated a reserve of forints sufficient for three months' operations, and the effects of the stoppage of forint withdrawals would not be felt for that period of time. Also, the Hungarian Government might very well choose to continue paying in forints rather than face the prospect of paying in dollars later—or

[4]Not found in Department of State files.

[5]Not printed. (764.56/7-2552)

might be persuaded to resume forint payments in exchange for certain import licensing concessions. If, as the Legation believes, other U.S. missions in the Soviet sphere are not currently drawing local currency under a similar arrangement, they would not be affected.

On the whole, the probable repercussions appear moderate in relation to the substantial benefits that would be derived from denying so many millions of dollars to the Soviet Bloc and increasing American bargaining power through the use of import controls as trading material.

No. 23

611.49/2-2453: Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State

SECRET PRIORITY PRAHA, February 24, 1953—5 p.m.

385. 1. My letter February 1 to Barbour[1] reported conversation with Foreign Minister Siroky re *détente* United States-Czechoslovakian relations in general and Oatis case in particular. It ended on note his willingness continue conversation for week. During that week reorganization Czechoslovakian hierarchy (Embtel 367 February 4[2]) involved his relinquishing Foreign Affairs portfolio to David.

2. Diplomatic confusion marked second ensuing week: Would Foreign Office arrange for Ambassadorial courtesy calls, or what? Finally new Foreign Minister issued invitations to reception for chiefs of mission February 13. As Embassy received same day Foreign Office note requesting visa for Foreign Minister who would leave February 16 as chief Czechoslovakian delegation UNGA, I said when meeting him I hoped he could find time see me before departure. Chief protocol said if any appointments made I would be included. None were, so on February 18 I requested appointment visit acting Foreign Minister Sekaninova. Appointment was fixed for February 23.

3. Meanwhile I received helpful Deptel 194 February 18[3] and outlined carefully what I wished to say to her. I spoke from typed

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[1]Not found in Department of State files.

[2]Telegram 367 reported that Václav David had replaced Široký as Foreign Minister effective Jan. 31. Široký maintained his position as one of Czechoslovakia's Vice-Premiers. (749.00/2-453)

[3]Telegram 194 noted that the Department was encouraged by the conversation reported in Wadsworth's letter to Barbour and authorized him to continue negotiations on all matters at issue between Czechoslovakia and the United States. (611.49/2-253)

notes and at her request I left them with her. Following is summary thereof:

Object my call is pursue my earlier conversations with Foreign Minister Siroky and yourself and discuss Oatis case as key to *détente* US-Czechoslovakia relations.

As basically my mission has been to seek such *détente* on working level, I had hoped solution Oatis case would be found within that general framework and on basis suggested by Mrs. Oatis' petition to President Gottwald. But, in my talks with him and with your Prime Minister and Foreign Minister I found clearly-put position that key to any general settlement lies in Oatis case. Therefore I come today to discuss Oatis case in that light.

My position is quite simple, it is not rigid and I should welcome your comment. I suggest favorable action on Mrs. Oatis' petition i.e., expulsion under your law and precedents. If this can be done, I undertake the following steps will be taken simultaneously or as soon as possible immediately thereafter:

(a) Certification Consular invoices and meat inspection certificates.
(b) Removal export restrictions, except as required by law.
(c) Non-restraint of trade, subject laws general applicability.
(d) Issuance visas, within 1952 Immigration Nationality Act and regulations.
(e) Lifting travel ban US Zone Germany.
(f) Appropriate prisoner exchange, Czechoslovakia Government being invited submit names those it would wish released.
(g) US will do everything possible obtain immediate resumption overflights West Germany.

In addition these assurances, related specifically to Oatis case, I should continue hold myself available for full discussion compensation agreement, steel mill matter and Statni Bank case, which latter already receiving Department's reconsideration.

4. In reply, Sekaninova made following points which however, she said, should be considered only preliminary comment pending more careful consideration:

(a) She took exception my premise that to Czech Government Oatis case was key to general *détente*, making good point that Siroky had wished discuss "whole complex". I yielded latter point but insisted that President and Prime Minister had been very clear and that Siroky has used phrase only at end long discussion in which Oatis case had been a major theme.
(b) She also took exception my joining steel mill matter with compensation agreement and argued bitterly that United States treatment this matter for over two years was crying proof discrimination and continuing bad faith. I demurred, insisting she must by now believe I truly wished find mutually agreeable solution both problems, together or separately; for instance, we would be glad fa-

cilitate sale of mill at fair price, part of which might be used as down payment on account compensation, and I was prepared consider sympathetically any views she might care express as to amount such down payment and percentage of value Czech exports to be credited compensation account.

(c) After commenting that she found little of importance which was new in my proposal as compared Ambassador Briggs' proposals last July,[4] she asked specially re meaning assurance on over flights. My reply on latter point was based on numbered paragraph nine Deptel 194 February 18 and appeared reassure her considerably. In replying her general comment I touched briefly on new elements my proposal but stressed particularly its new basic approach was earnest effort seek *détente*, using Mrs. Oatis petition as point of departure and eliminating prestige angle this difficult case. She concurred consideration prestige need not determine Czech position.

(d) She ended comment by recalling President Gottwald's promise that I would be informed of action on Mrs. Oatis' petition and again said my proposal would be studied carefully.

5. I am of course not optimistic this meeting has laid basis for early solution Oatis case, but I feel all possible progress, within limits my instructions, has been made towards seeking such basis.

6. Foregoing discussion may facilitate Department's replies to Hague Embtel 1132 February 20 repeated Prague 7 and Brussels Embtel 906 February 20 repeated Prague 8[5] re landing rights. My Dutch and Belgian colleagues have made no mention this matter at any of our several informal meetings. Would Department wish me do so, recounting frankly my seeming progress towards solution Oatis case and arguing that, from very pointed interest shown by Sekaninova in over flights question, they would be weakening one of our more important trumps were they just at this time to settle landing rights question Czech favor?

Department please repeat Hague and Brussels if desired.

WADSWORTH

[4]See footnote 1, Document 10.

[5]Telegrams 1132 and 906 reported that, since the Dutch and Belgian Governments could no longer find technical justifications for denying landing rights to the CSA, both were prepared to notify the Czechoslovak Government that permission to land was being granted. (940.5249/2-2053)

No. 24

Bohlen Papers, lot 74 D 379, "Personal Correspondence, 1952-53"

Report Drafted by the Staff of the President's Committee on International Information Activities[1]

TOP SECRET [WASHINGTON, February 24, 1953.]

Summary of Testimony of Mr. Charles E. Bohlen, February 24, 1953

[Here follow Bohlen's responses to questions from committee members concerning the basic foreign policy motivations of the Soviet rulers and any possible vulnerabilities existing in the Soviet system. Bohlen began by discussing the relationship between the ideology of world revolution and Soviet national interests, then gave his views on the nature of the cold war. William Jackson then asked if the Soviets would resist an attack on satellite frontiers. Bohlen replied that they would, then offered his opinions on why communism had enjoyed so little success in the Western world.]

Mr. Bohlen then turned to a discussion of what we can do effectively to capitalize on the weaknesses in the Soviet empire. There are extreme limitations on what we can do with overt propaganda. In the first place our overt propaganda is not listened to. There are very few radio sets and the Soviets are very efficient in jamming our programs. He does not believe that we can expect much success through overt external propaganda. What we can try to do is to leave a deposit of doubt regarding the truth of the propaganda put out by the Soviet Government. In the event of war this deposit of doubt might be an important factor. It might encourage disaffection in the army. It might adversely affect the will of the Russian people to support the war.

We should recognize that there is no possibility for the people to take effective action against the regime except in a war situation. For this reason he believes that our chief target is not the mass of the people. We might have a little more effect on the people who have made something of a success of their lives in the Soviet state. These include members of the new bureaucracy, of the intelligentsia, of the upper officer class, of the managers of the collective

[1]The President's Committee on International Information Activities was established by Presidential directive of Jan. 24, 1953, for the purpose of evaluating the effectiveness of U.S. informational programs. William H. Jackson was appointed chairman, so that the committee was often referred to as the Jackson Committee. The other members were Robert Cutler, Gordon Gray, Barklie McKee Henry, John C. Hughes, C.D. Jackson, Sigurd Larmon, and Robert M. Kyes. The committee's report, based on the testimony of over 200 witnesses, was completed on June 30, 1953. (Eisenhower Library, White House Office, Project "Clean-Up": Records, 1953-61) For text, see vol. II, Part 2, pp. 1795 ff.

farms and industrial establishments, etc. In other words, of the level below the top authorities. These people are more intelligent than the average Russians. They have done pretty well, they are more skeptical about the system, they resent being sealed off from all cultural contacts with the outside world. In general, this is the audience we might reach with overt external propaganda. We can not hope to overthrow the system by any effect we can have on these people but we might hamper the operations of the system by creating doubt.

. . . These totalitarian states are more likely to get into trouble as a result of rifts at the top than any other way. The mass of the people can act effectively only when the instruments of control have been fractured.

There are certain endemic jealousies and rivalries. The major ones are those between the army and the secret police, between the army and the party, and between the party and the secret police.

The rulers are more afraid of independent action by the army than they are of anything else. The army is a necessity and therefore they must have a good one, but they recognize the danger that they are creating an instrument of power which is capable of independent action. We have seen such a situation in Nazi Germany. We see evidences of it again and again in the Soviet Union. The political commissar system is one example. Before World War II was over, Stalin amended his own constitution to provide for a decentralized administration of the army. It is interesting to note the almost complete eclipse of the popular military heroes of World War II.

. . . . . .

We can not operate in the way the Soviets operate. They have opportunities for action because we have a free society. For example, we can not set up a fifth column in Russia as they can establish fifth columns in the free world. The police states have been set up to deal with the problem of civil disobedience and are very effective in suppressing it. In fact, it does not pose any real problem for them.

Mr. Bohlen turned to a discussion of the relations of covert and overt activities. We all want to see Eastern Europe free. There is no difference of opinion on this. There is a difference of opinion, however, as to the wisdom of proclaiming this as a national objective. If we make such a proclamation we are in a real sense committing ourselves to bring it about. This is a responsibility which a truly great power accepts when it speaks. At some point the commitment to such an objective may come into conflict with some

other commitment; for example, we do not intend to start a world war and this goal may conflict with the goal of liberation for Eastern Europe.

Mr. Bohlen referred to the Kersten Amendment.[2] He said that he had opposed this, not because it would provoke the Russians (he regarded this as a ridiculous point of view) but because it was worth a lot to them. They could exploit it both externally and internally. One of the external needs of the totalitarian system is a justification for its internal acts of suppression. The best justification is the hostility of the outside world. Everything like the Kersten Amendment helps them to some extent to justify the purges, the tightening up, the turning of the screw. Mr. Bohlen thought that we should work toward these ends but that in general we should not proclaim them as national objectives.

[Here follows a general discussion of the nature of the Soviet regime and prospects for its future behavior.]

[2]Reference is to Section 101(a)(1) of the Mutual Security Act of 1951, P.L. 82-165 (65 Stat. 373), Oct. 10, 1951.

No. 25

240.1111 Oatis, William N./3-2453

Memorandum by the Secretary of State to the President[1]

SECRET [WASHINGTON,] March 27, 1953.

Subject: Proposal for a Message to the President of the Czechoslovak Republic in an Effort to Obtain the Release of William Oatis

The assumption of the Presidency of the Republic of Czechoslovakia by former Czechoslovak Prime Minister Zapotocky[2] seems to afford an opportunity for a step toward the release of Associated Press correspondent William Oatis. In the light of current indications that the Soviets may be endeavoring to create an appearance of reasonableness at this time, it is possible that the Czechoslovak authorities might be receptive to an initiative from you in connection with Mr. Oatis.

Our Ambassador in Praha reports that his Western colleagues assume that Western Chiefs of State will send congratulatory messages to Zapotocky. It is not customary for the President of the

[1]Drafted by Barbour.

[2]On Mar. 14, shortly after having returned from Stalin's funeral, President Gottwald died.

United States to send such messages. However, if you concur, I recommend that you authorize me to instruct Ambassador Wadsworth in Praha to deliver the attached message on your behalf in such manner as he deems most likely to be useful.[3]

It is my belief that this approach will probably be most effective with the Czechoslovak authorities if, at least initially, no publicity is given to it.

In delivering this message our Ambassador in Praha would be instructed to state orally that the continued imprisonment of Mr. Oatis is in sharp contrast to our willingness unconditionally and promptly to return to Czechoslovakia the twenty-three Czechs who recently landed at Frankfurt in a Czech plane and desire to return to Czechoslovakia.

JOHN FOSTER DULLES

[Enclosure]

Proposed Message From President Eisenhower to President Zápotocký

On the occasion of your assumption of the Presidency of the Czechoslovak Republic, I wish to avail myself of the opportunity to express the hope that you will give consideration to the release of William Oatis and thus remove one cause of friction between our two countries. If your Government will release Mr. Oatis, removing the obstacle which his continued imprisonment places in the way of their solution, the United States Government on its part is prepared to negotiate on the basis of full mutual understanding the issues arising from the arrest of Mr. Oatis and now outstanding between us.[4]

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[3]According to telegram 447 from Praha, Mar. 30, Wadsworth on that date handed to Široký, who had become Prime Minister on Zápotocký's accession to the Presidency, the text of President Eisenhower's message. (249.1111 Oatis, William N./3-3053) On Apr. 29, Wadsworth received the following reply from Zápotocký through the Foreign Minister:

"I have received your message, which you addressed to me at the occasion of my election to the function of President of the Czechoslovak Republic. I have referred your proposals, contained in this message, to the government of the Republic."

This message was transmitted in telegram 502, Apr. 29. (249.1111 Oatis, William N./4-2953)

[4]The source text is not signed.

No. 26

860.03/5–153: Telegram

The Secretary of State to the Embassy in Poland[1]

SECRET WASHINGTON, May 1, 1953—7 p.m.

167. Proposal to offer gifts food to one or more satellites presently under urgent high level inter-agency consideration.[2] Offer would be conditional upon agreement to distribution through agency such as International Red Cross. Idea could have considerable propaganda value whether or not offers accepted by regimes. Estimate four to five weeks planning necessary before definite offer could be made.

Desire urgently fol: 1) Your view degree seriousness food shortages your country indicating major commodities needed, particular areas which worse off than others and time of year when shortage likely be most severe; 2) Your estimate likely reaction to offer by regime and people; 3) Any other pertinent comments.

DULLES

[1]Drafted by Katz and cleared with Barbour and Cox. Repeated for action to Bucharest and for information to Moscow.

[2]According to a memorandum from Phillips to Smith, Apr. 23, the possibility of initiating a food relief program had been suggested by Ravndal during a recent visit to Washington. The officials with whom Ravndal had spoken, C.D. Jackson among them, had seen enough merit in the idea to place it on the agenda of the PSB meeting of Apr. 23. (PSB files, lot 62 D 333, Luncheon Meetings) According to the minutes of that meeting, the idea was discussed and the Acting Director of the PSB, Morgan, was instructed to undertake staff consultations. (PSB files, lot 62 D 333, "Record of Meeting")

No. 27

848.03/5–453: Telegram

The Ambassador in Poland (Flack) to the Department of State[1]

SECRET WARSAW, May 4, 1953—4 p.m.

529. Reference Deptel 167 May 1 repeated Bucharest 174 Moscow 807.[2]

(1) Although diet of city families greatly lacking variety and quality and limited by high prices, no evidence of anything approaching near starvation or food shortages so serious as immediately threaten health. Food supplies about same so far as known

[1]Repeated for information to Bucharest and Moscow.

[2]*Supra.*

all parts of Poland. Nothing at this time suggests probability serious shortages later this year.

(2) Embassy believes regime would violently reject offer such as apparently under consideration not only because of unwillingness to accept distribution through any outside agency, international or otherwise, but because acceptance would indicate regime unable support own people and would run counter basic regime line and socialistic practices. Believe any popular reaction would be controlled by regime propaganda unless acute shortages requiring emergency relief should develop. Regime would make propaganda use of offer by portraying its (in accordance with line taken on Marshall Plan) as effort to dump low grade surplus commodities piled up by "sick" US economy and attempt "bribe" Poland; as proving US knows so little of conditions in Poland as to believe people are starving and using this to discredit general soundness all American propaganda efforts by VOA or otherwise.

(3) We recognize offers of food items may have considerable propaganda value. The manner in which such offers would be made is particularly important and we suggest that perhaps no one country should be singled out by name. However, so far as Poland is concerned, Embassy recommends project be held in reserve for further consideration if emergency conditions should develop sometime in future. Even at such time consideration would have to be given to fact that in remote contingency offer was accepted, food distribution would serve to strengthen regime insofar as it reduced popular discontent. Moreover, in such case, Embassy questions advisability of supplementing Polish food supply in manner which might permit military stockpiling or diversion Polish food production for general orbit purposes. Believe present system individual gift packages from America most effective type propaganda so far as Polish masses concerned.

FLACK

No. 28

866.03/5–553: Telegram

The Minister in Rumania (Shantz) to the Department of State

SECRET BUCHAREST, May 5, 1953—1 p.m.

273. Following are Legation views of Deptel 174 May 1.[1]

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[1]Printed as telegram 167 to Warsaw, Document 26.

(1) Food shortages exist, probably most severe in rural areas Danube belt, Baragan, Dobrogea and in Central and Southeast Transylvania. Shortages likely increase next six weeks and then ease up with new crop harvest. Shortages most agricultural products (including fats, sugar and—to lesser extent—meat) due primarily government not letting peasants retain sufficient foods for own use. Also, only part foods taken from peasants given urbanites in meager rations; rest exported or stored. Present diet not adequate nor as good as pre-war, but no one starving, merely unhappy. Do not anticipate deaths from hunger anywhere in country although there is certainly suffering.

(2) For Rumanian Government to accept our offer would contravene whole basis its propaganda line. It, therefore, will surely reject offer and open propaganda attack. It will reassert rising Rumanian living standards and adequate diet; charge US with attempted economic imperialism in order dispose food surpluses and help out American farmers who facing sales crises due internal contradictions capitalist system; maintain any help needed will come from USSR which has already helped much; sound off on need re-open "normal East-West trade"; and in any case reject distribution by non-Communist agency.

Reaction many Rumanian people probably would be favorable, tempered by realization American propaganda motive and unhappiness that US offer may strengthen Rumanian regime via food shipments. Reaction others expected be unfavorable. Both Communist minority and large anti-Communist anti-Russian majority recall that no matter how poor people were before, they always had enough to eat; and neither group have illusions about what is now happening to former Rumanian food surpluses. Peasant saying here is "Rumania is cow with many teats, all of which held by Russia". Both peasant and worker likely be more puzzled than pleased by action of "friends" who claim to help by feeding cow (and thus Russia).

(3) Believe it now too late to get in shipments before new harvest grains and summer vegetable crop. Also, we question whether we should risk improving food position of Soviet orbit when it has been deliberately exporting some foods to non-orbit areas, especially Western Europe—and Rumania also exporting to orbit countries as part Communist industrialization policy.

Rumanian propaganda attack would include advice to us to give our food to our own unemployed and slum dwellers and to underfed masses France, Italy, etc. who are in misery owing armaments expenditures forced on them by US. If offer made, we should be ready with facts, figures, percentages (their own pet device) to show up falsity their attack.

On balance, we do not think food shortages in Rumania are grave enough to enable us to win resulting propaganda battle decisively. Moreover, we assume full consideration being given to effect of proposed offer on Asiatic and other countries where food standards are lower than here and to which US has in past sold (not given) food. Believe we would have to be ready immediately on rejection offer here to repeat same offer to such countries under similar conditions. Indeed, whether Rumanians by miracle accept offer or not, we would still have to face implications this move for our moral duty supply all hardship and famine areas in world in indefinite future unless we willing meet charges we give away food only as part "cold war" without humanitarian aims.

SHANTZ

No. 29

860.03/5–1453: Despatch

The Minister in Hungary (Ravndal) to the Department of State

SECRET BUDAPEST, May 14, 1953.

No. 719

Ref: Legtel 963, May 7, 1953[1]

Subject: Warsaw's 529 May 4[2] and Bucharest's 273 May 5[3] re Need for and Possible Reactions to American Offers of Gifts of Food to Soviet Orbit Countries.

I have read with great interest Ambassador Flack's telegram No. 529 of May 4 and Minister Shantz's telegram No. 273 of May 5, giving their mission's assessment of the food situation and the potential impact of American offers of gifts of food to the needy in Poland and Rumania.

Both missions rightly question the advisability of supplementing the Polish and Rumanian food supply in a manner which might permit military stockpiling or diversion of food production for general orbit purposes.

None of the many people who discussed the idea of American offers of gifts of food contemplated distribution of the food in such a manner that it would strengthen the communist regime and its military potential. Distribution of the food was to be by the International Red Cross to the needy who, in Hungary, are found in

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[1]Telegram 963 specified certain food shortages expected to occur in Hungary during the following months. (864.03/5–753)

[2]Document 27.

[3]*Supra*.

large numbers among the peasants, the deportees, the aged, and the infirm. These people if reached by the IRC, as they once were through the media of the JDC and CARE systems, would not consume less of the local supply than they now consume; they would merely have added to their personal intake what they now cannot obtain.

In this connection I note Ambassador Flack's belief that the present system of individual gift packages from America is the most effective type of propaganda so far as the Polish masses are concerned. The only variations between that system and the one under consideration are (1) there would also be helped needy who do not have connections in the United States and (2) in the case of Hungary at least, the communist regime would no longer have control over the destination and content of the gift parcel nor derive the income it gets from the exorbitant customs duties it now levies on gift parcels and which many would-be recipients cannot afford to pay.

As for the opinion that the counter propaganda attack would include advice to us to give our surplus food to our own unemployed and slum dwellers and to underfed masses in France and Italy, et cetera, it is recalled that the proposal under consideration contemplates that concurrently with or previous to the food offensive against the "peace" camp, food would be offered on the same terms to our friends, such as Italy.

Warsaw suggests that perhaps no one country should be singled out by name; and Bucharest assumes that full consideration is being given to the effect of the proposed offers on Asiatic and other countries where food standards are "lower" than in Rumania and to which the United States in the past has sold not given food. Those who discussed the idea before it was submitted unanimously agreed that the food offers would best be directed simultaneously to all the weak spots of the "peace" front rather than to just one of the captive countries. And the plan of thrusts at many places, using the different foods wanting at the different places, was endorsed by all, the thought of a trial offer to a specific country initiated through a question at the President's press conference being merely a suggested means of getting the program started under favorable, domestic American, publicity.

Finally, with respect to the warning that embarking on the proposed program would saddle the United States with the moral duty to supply all hardship and famine areas in the world in the indefinite future, unless we are willing to meet charges that we give away food only as part of the "cold war" without humanitarian aims, I submit that American history is illumined by many instances of gifts to needy, whether friends or enemies, and distribu-

tion by the International Red Cross would classify the gift as charitable. The program clearly fits into the humanitarian projects of the United Nations and seems a "natural" for inclusion in President Eisenhower's world-moving concept of using part of the funds now spent on armament in improving the lot of those less fortunate than we.

If incidentally the "peace" camp should violently reject our offers, as it probably would—this we anticipated—we should still retain the initiative with the Kremlin's defenses weakened.

C.M. RAVNDAL

No. 30

249.1111 Oatis, William N./5-1553:Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State

TOP SECRET NIACT PRAHA, May 15, 1953—9 p. m.

523. Mytel 519.[1] Following is verbatim English language text President Zapotocky's reply to President Eisenhower's personal message delivered by me to Czechoslovak Prime Minister March 30:[2]

"I wish to thank you for your congratulations at the occasion of my election for President of the Czechoslovak Republic transmitted by the Ambassador of the United States of America to the Prime Minister March 30, 1953.

"With respect to your personal message expressing the hope that consideration will be given to the possibility of release of William Oatis I am in the position to inform you that on May 15, 1953 I have upon the proposal of the government and under Section 74, paragraph 1, subparagraph 11 of the Constitution decided to grant pardon to William Oatis for the still uncompleted part of his sentence of deprivation of liberty."

Reply was handed me by Prime Minister in course hour conversation late this afternoon (full report by following telegram[3]) referring to our request with which he had complied that President Eisenhower's message not be given publicity Prime Minister request-

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[1]Telegram 519, May 15, reported that Široký wished to see Wadsworth at 6 p.m. that day. (249.1111 Oatis, William N./5-1553)

[2]For text, see the enclosure to Document 25.

[3]Wadsworth reported the substance of his conversation with Prime Minister Široký and Foreign Minister David in telegrams 524 and 525, both dated May 16. The first dealt with the release schedule and travel arrangements for Oatis; the second concerned the desirability for the further improvement of U.S.-Czechoslovak relations. (249.1111 Oatis, William N./5-1653)

ed no publicity be given President Zapotocky's reply. He will issue Presidential press release tomorrow morning substantially as follows:

"In use rights given to me by Constitution, I grant pardon to William Oatis born January 1, 1914 in Marion, Indiana, USA, citizen of USA for the still uncompleted part of his sentence of deprivation of liberty imposed on him by Prague Court 4 July 1951, this decision being taken on basis petition Mrs. Laurabel Oatis November 1952."

WADSWORTH

No. 31

849.13/6-1153:Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State[1]

SECRET PRIORITY PRAHA, June 11, 1953—7 p. m.

566. Re last paragraph Embtel 561, June 10.[2]

1. In our opinion monetary reform has engendered greatest unrest and discontent throughout Czechoslovakian population, including many party members, since advent present regime in 48. While situation now well in hand gravity emphasized by unprecedented acknowledgements in controlled press of mass overt acts against regime. Caveat that it must "never be allowed happen again" presages more terrorism. We think VOA and RFE should so state, particularly to counter phony local propaganda re "great satisfaction" with which monetary reform received by populace.

"Worse yet to come" could be central theme.

2. Perverted role trade unions in Communist state becomes obvious when publicly taken to task for not persuading workers that decision Communist Party and government was economically and socially correct and wholly to and in their own vital interest. Although this role long recognized here and emphasized by regime in past, apparently many trade unionists included in ranks those who could not stomach government's recent monetary action. Significant that trade unionists even Communist ones in time of crisis automatically reverted to traditional role of trying protect workers interests and failed carry out corrupted function of protecting interests of regime.

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[1] Repeated for information to Munich.

[2] Not printed. (849.13/6-1053)

3. Principal theme perhaps should be direct factual treatment whole monetary reform as gigantic robbery perpetrated on entire population, workers and non-workers, Communists and non-Communists kulaks and small farmers alike. No matter what abundant future government and party may now hold out, stark fact is that for all practical purposes most monetary gains of entire Czechoslovakian population, including accumulations since present regime came to power, have been wiped out. Futility of continuing follow Communist chimera should be apparent even to most gullible.

4. Inconsistencies and falsehoods of Communist regime can be brought out by careful scanning official public statements. After months criticism failures in carrying out five year plan, party decisions on monetary reform included justification for change in view "important progress achieved in building up socialism" and as logical result "unprecedented development of national economy". Similarly "great enthusiasm" populace for reform, with which press has been filled for ten days belied by articles such as reported reference telegram.

5. Pending more detailed information as to exact effect reform on standard living, believe subject might be avoided for moment and emphasis placed on foregoing. Reform and simultaneous abolition rationing system by themselves certainly largely wipe out relative advantage heretofore enjoyed by workers mines and factories. Nevertheless net result might well be considerable over-all increase in purchasing power and of new money. This, however, is tempered by fact that purchasing power old crown was none too high to begin with. Since part of post monetary reform propaganda attempting prove workers better off under communism than under capitalism, however, there is still room for factual data regarding purchasing power capitalist currencies in terms hours work needed purchase food and essential commodities.

6. Point also can be made that reaction to monetary reform shows there is still living spirit resistance in Czechoslovakian people notwithstanding five years Communist oppression. Even Soviet-dominated government must know there is point beyond which people cannot be coerced. Tying of crown to ruble further emphasizes this domination.

7. Use of above by RFE and VOA especially latter would appear depend on fundamental policy decision with respect Soviet peace campaign. Persistent needling of Czechoslovakia's Communist rulers by VOA official agency US Government cannot be expected pave way to improvement relations or settlement outstanding issues. On other hand anything less than full voiced attack on this latest crime communism against people Czechoslovakia might

appear to listeners here as betrayal, causing hopes we have striven keep alive to collapse.[3]

WADSWORTH

[3]In the margin next to this paragraph Vedeler wrote: "Discussed in EE staff meeting & agreed to advise VOA to exploit this Communist crime for all it is worth. HCV"

No. 32

Editorial Note

On June 16 and 17, riots broke out among the workers in East Berlin and the Soviet Zone of Germany. When the implications of these riots were discussed during the meeting of the National Security Council on June 18, the possibility was raised that the unrest might spread to other Eastern European countries. A decision, subsequently designated NSC Action No. 817–e, was therefore taken to instruct the Psychological Strategy Board to submit as soon as possible recommendations for policies and actions to exploit the situation during the following 60 days. The memorandum of discussion at the June 18 National Security Council meeting is printed in volume VII, Part 2, page 1586. The discussion and policy directives encompassed by the three documents which follow all emanated from the June 18 instruction to the Psychological Strategy Board.

No. 33

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 151st Meeting of the National Security Council, Washington, June 25, 1953[1]

TOP SECRET EYES ONLY

The following were present at the 151st meeting of the Council: The President of the United States, Presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; the Director for Mutual Security; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; Admiral Fechteler for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; Robert Cutler, Special Assistant to the President; Lewis L. Strauss, Special Assistant to the President; C. D. Jackson, Special

[1]Drafted by Gleason on June 26.

Assistant to the President; the Military Liaison Officer; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion concerning military requirements for atomic weapons, Project Solarium, the situation in Korea, United States objectives and courses of action with respect to Japan, and the Japanese Treaty islands.]

6. Significant World Developments Affecting U.S. Security

The Director of Central Intelligence said he had a number of brief comments on a variety of areas and events:

[Here follows discussion on Egypt, Libya, France, and Korea.]

Germany. Mr. Dulles then briefed the Council on the latest information with regard to the outbreaks in East Berlin and in fifteen other places in the Soviet Zone. His conclusions were that events had demonstrated the total failure of the East German Government and its tactics. This government, he thought, might very well be tossed out presently by the Russians and a more conservative regime installed in its place. Mr. Dulles also stressed the dilemma which confronted the Soviet Government, which, after announcing a soft policy, had encountered so serious an uprising. In any event, said Mr. Dulles, the Soviets had solved the problem of the free elections issue. The Soviets were clearly not in a position to advocate such free elections now, and we were.

. . . . . .

The National Security Council:

Noted and discussed an oral briefing on the subject by the Director of Central Intelligence with particular reference to the situation in Egypt, Libya, France, Korea, Germany, and Czechoslovakia.

7. United States Policies and Actions . . . in the Satellite States (NSC Action No. 817; Memo for NSC from Executive Secretary, same subject, dated June 24, 1953)[2]

Referring to the draft in the hands of the members of the Council, Mr. Jackson stated that the PSB had since the last meeting accomplished two tasks: The first was a summary listing of possible actions . . . which had been sent to the members of the Council. In addition, they had elaborated a more detailed plan[3] which had not

[2]For NSC Action No. 817, see footnote 2, vol. VII, Part 2, p. 1590. The June 24 memorandum transmitted to the NSC the draft of the summary PSB plan. This draft, revised in accordance with the discussion recorded here, became NSC 158.

[3]Reference is to PSB D–45. (PSB files, lot 62 D 333, PSB D–45 Series)

been circulated. The PSB had approved the summary except that the Deputy Secretary of Defense had been absent. Mr. Jackson said that he did not anticipate disapproval from Defense. Mr. Jackson also stressed the efforts of the PSB to avoid approaching their task in a starry-eyed and unrealistic fashion. Accordingly, they had divided their proposed actions into two phases: One covered actions which could be taken within the next 60 days. The other comprised actions thereafter if the situation developed favorably. Mr. Jackson then began to read the list of actions in the first phase.

When he had concluded, Secretary Dulles stated that he did not feel that the summary contained sufficient emphasis on passive, as opposed to active, resistance. The President expressed agreement with the views of Secretary Dulles.

. . . . . .

Mr. Jackson then went on to point out the great importance of the free elections slogan which the German workers had now handed to us on a silver platter. He asked whether it would not be useful for the President or the Secretary of State to issue a statement on this point prior to their departure for Bermuda.[4]

Secretary Dulles expressed interest in this proposal, but warned that it needed to be carefully calculated from the standpoint of Chancellor Adenauer. We don't want to issue any statement in favor of free elections in Germany which Chancellor Adenauer's opposition could use to slow up the ratification of EDC, to which Chancellor Adenauer was so thoroughly committed.

As a solution to this problem, the President suggested that it might be possible to quote from Chancellor Adenauer's own speech in Berlin on the subject, on June 17.

Secretary Dulles then spoke of the proposal to bring up in the UN the brutal Russian repression of the uprisings in East Germany. He pointed out the very great danger involved in the attempt to make the UN a propaganda forum when we could not hope for any concrete results. We castigate the Russians for this kind of behavior in the UN, and we must be careful not to open ourselves to the same charge by raising the repression issue.

While agreeing with the Secretary's point, the President insisted that careful consideration be given to the question of raising this issue in the UN. Was it a "good issue" in itself, quite apart from

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[4]For documentation on the Bermuda Conference which was planned for June and later rescheduled for Dec. 4–8, 1953, see vol. v, Part 2, pp. 1710 ff.

the propaganda value which it offered? If is was a good substantive issue, we should certainly not hesitate to raise it.

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The President then inquired as to what the United States was able to do to assist defectors from the satellites once they had found asylum with us.

Mr. Allen Dulles quickly said that whatever they were doing it was certainly not enough. The treatment of defectors was a major problem, which Mr. Jackson interposed to describe as a "shocking picture".

The President was obviously concerned by these statements, and inquired whether the Administration ought not to take the problem up both with Congressional leaders and with our allies. Steps should be taken, said the President, to see to it that these defectors found asylum and jobs in various free world countries. Brazil, Argentina and Uruguay were all countries which needed people. Would it not be possible to make some deal or treaty with them by which we paid for the transportation of these people from Europe and maintained them in their new homes until such time as they had found jobs and security?

There was then further comment on the inadequacy of provision, either by the UN or the U.S., of support for defectors, it being noted that here were so many different agencies involved in this attempt that not one of them, governmental or private, really felt responsibility for carrying through a reasonable program.

Mr. Stassen, however, pointed out that the Mutual Security Agency was already far advanced on plans for an integrated approach to solving the problem, and awaited only Congressional acceptance of the President's reorganization plan to put its program into effect.

The National Security Council:

Approved the recommendations of the Psychological Strategy Board contained in the enclosure to the reference memorandum, subject to:

a. More emphasis being placed upon passive resistance in implementing paragraph 2-(a).

b. Revision of paragraph 3-(b) to read: "Consider U.S. advocacy of (1) free elections in the satellites and association with the Western European community, with emphasis on economic cooperation and rehabilitation, and (2) subsequent withdrawal of all foreign troops from Germany, Austria and the Satellites."

Note: The report of the Psychological Strategy Board, as amended, subsequently approved by the President and circulated as NSC 158.

[Here follows discussion concerning United States actions in the Near East and the strengthening of the Korean economy.]

S. EVERETT GLEASON

No. 34

761.00/7-653: Telegram

The Secretary of State to the Embassy in Czechoslovakia[1]

SECRET WASHINGTON, July 6, 1953—5:16 p. m.

4. Recent events in Eastern Germany coupled with unverified reports overt popular unrest other Soviet Satellites have tended create public impression here that Soviet power structure in EE may be beginning disintegrate and that local commie rulers trying stem adverse tide by making various concessions to dissatisfied elements.

Department has been inclined view Soviet and Satellite actions since Stalin's death as deliberate and calculated plan new Kremlin rulers to consolidate their own internal position and at same time disrupt Western alliance by stepping up pace of diplomatic "peace" campaign. It has assumed that Soviets do not intend relax hold their EE empire and that behind facade amnesties and other gestures process of Sovietization of Satellite peoples would proceed apace.

On July 10 Secretary will begin exchange of views with British and French Foreign Ministers covering number of topics including current situation Satellite countries.

With foregoing in mind Department would appreciate receiving soonest brief cabled evaluation from each Satellite mission of local political and economic situation with emphasis first-hand observations in capital and from recent travel in countryside. Fundamental question is whether chronic popular discontent with regimes has recently shown tendency take overt and bolder form and, if so, how, when and where.

DULLES

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[1]Drafted by Thurston and cleared with Armstrong, Merchant, and Galloway. Repeated to Warsaw, Budapest, and Bucharest for action, and to Moscow, Bonn, and Belgrade for information.

No. 35

749.00/7-753: Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State

SECRET PRAHA, July 7, 1953—7 p. m.

14. Reference Deptel 4, July 6.[1]

1. Embassy has also been inclined view recent Eastern European developments as described paragraph 2 reftel with additional factor Sovietization being slowed down in deference mounting discontent and unrest. From here it appears new Soviet government more flexible than Stalin and events East Germany and Hungary suggest possibility have ordered changes in satellites along lines new economic plan of mid-twenties.

2. Today's local press announced first real relaxation restrictive measures Czechoslovakia since 1948 Communist coup. Central Trade Union Council allegedly requested cancellation provision in last week's decree against absenteeism and labor turnover (Weeka 27, July 3[2]) directing certain cases be referred public prosecutor for final prosecution. Government yesterday afternoon cancelled entire decree and agreed make trade unions responsible control absenteeism and turnover. This cancellation recent repressive measures (which were contradictory [garble] in other satellites) undoubtedly reflects Kremlin prompting. While Embassy considers it significant move possibly presaging further relaxations, cancellation one unpopular decree cannot be compared fundamental changes government program as announced in East Germany and Hungary.

3. Rumor now current Prague many former small entrepreneurs recently asked if in position reopen private retail outlets and small establishments manufacture consumer goods. When negative reply given because confiscation stocks and loss savings in monetary reform government allegedly said would be willing advance credit and materials. Failure regime carry out plan completely socialize medical profession, forbid all private practice, and nationalize all equipment middle last week, reported by Embassy by well-placed and usually reliable source, could also indicate slowing down socialization.

4. Regime undoubtedly now has situation in Czechoslovakia in hand, but discontent continues. Shortages foodstuffs and all types consumer goods still exist, prices are exorbitant and losses suffered in monetary reform still rankle population. No reason believe any

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[1] *Supra.*

[2] Reference is to telegram 8 from Praha, not printed. (749.00(W)/7-353)

strikes or disturbances have occurred last two weeks and recent observations members Embassy staff Pilsen and Bratislava area, as well as Prague, confirm all quiet. Good source reports some decreases absenteeism Prague factories as workers under greater economic pressure keep incomes high as possible.

5. As reported Embtel 3, July 1[3] basic political and economic situation here is same as before monetary reform but aggravated by recent disturbances. Chronic popular discontent has taken over and bolder form in some instances as result monetary reform, but based on our observations situation now practically normal.

6. As to how, when, and where, of discontent see particularly Embtels 551, June 5; 561, June 10; 565, June 10; 566, June 11; 567, June 12; 574, June 19.[4]

WADSWORTH

[3]Telegram 3 reported that shortage of foodstuffs and worker absenteeism had been aggravated by the monetary reform. (749.00/7-153)

[4]Telegrams 551 and 561 are not printed. (749.00(W)/6-553 and 849.13/6-1053) Telegram 566 is printed as Document 31. Telegram 565 summarized newspaper reports that unrest had occurred in Moravia (849.13/6-1053); telegram 567 reported instances of worker opposition to the currency reform (749.00(W)/6-1253); telegram 574 reported worker absenteeism and strikes in response to the currency reform. (749.00(W)/6-1953)

No. 36

761.00/7-753: Telegram

The Ambassador in Poland (Flack) to the Department of State

SECRET WARSAW, July 7, 1953—4 p. m.

10. Re Deptel 2, July 6.[1]

1. Extensive travel and general observation officers this and other Western missions give no indication normal discontent has taken bolder or overt form. Despite flood rumors outside Poland re disturbances here, no confirmation whatsoever these rumors within Poland. Embassy unaware source these rumors, seemingly baseless, beyond Polish allegation they first printed *Berlin Telegraf* (Embtels 6 and 7, July 6[2]).

2. In economic field, continuing regime pressure for higher production norms meets some worker resentment, but no indication this has taken violent, organized or other than sporadic form.

[1]Printed as telegram 4 to Praha, Document 34.

[2]Telegram 6 reported the receipt in Warsaw of Western radio reports of unrest in Poland (748.00/7-653); telegram 7 summarized a satirical article in *Tribuna Ludu* in response to these reports (511.4841/7-653).

Nothing of character to cause modification regime plans. Food supplies adequate and despite high prices limiting purchasing power at present income levels, population able obtain minimum needs. Observations suggest forthcoming harvest will be good. Preliminary regime statistics important segments industry (full half-year report not yet published) indicate production plans being fulfilled.

3. No suggestion any change in basic regime plans and Sovietization apparently continuing:

a. Increasing pressure on church despite firm stand taken by hierarchy (Embdes 481, June 30[3]).

b. Pressure for agricultural collectivization continues. Tempo first three months current year at record high with average monthly increase 700. April–May increase average 300 monthly. Although some decline in rate organization new collectives in spring compared winter months, this believed due normal causes and not indicative any relaxation regime drive.

c. Increasing virulence anti-American expressions press after lull in April, although present level vituperation not quite that of period immediately before Stalin's death.

4. While Embassy cannot discount possibility overall Soviet orbit policies may lead to change in regime policy here, no present reason to believe this will come from Polish internal factors. Parallelism developments Poland other countries orbit not always complete. For example, amnesty in Poland effective November 22, 1952 (Embdes 232, December 11[4]) prior Stalin's death unlike other orbit countries.

FLACK

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[3]Despatch 481 transmitted a copy of a letter of protest, dated May 8, from the Polish Episcopate to the Polish Council of Ministers. (848.413/6–3053)

[4]Despatch 232 reported that there was nothing in the Polish amnesty proclamation of Nov. 22 to suggest that the motive for it was the creation of a government-controlled labor force. (748.00/12–1152)

No. 37

764.00/7–853: Telegram

The Chargé in Hungary (Thompson) to the Department of State

SECRET PRIORITY BUDAPEST, July 8, 1953—5 p. m.

22. For course of events Hungary with certain comments pertinent to Deptel 6 July 6 see Legtels 1123 June 30, 1 July 1, 10 July

3, 11 July 4, 16 July 5, 20 July 7.[1] First hand observation Budapest limited areas countryside shows no signs discontent taking overt and bolder form as yet. Rumors originating Vienna of disturbances Csepel week July 13 not confirmed. No signs unusual security measures. However German riots came more than week after announcement concessions. Believe much will depend on speed and extent implementation promises made Nagy speech. In this connection, check markets this morning showed large supply sharply lowered prices vegetables, fruit (normal seasonal development) and generous supply cold storage port, butter. (Frozen meat stock believed small.) Trip to Austrian frontier this afternoon and officer returning by car from Belgrade tomorrow may produce further information.

Recent developments Hungary believed to have special significance in that:

(1) Preceded by drastic party reorganization at top level which presumably reflects opposition to new policy and will probably require extension purge to lower levels. Party members at all levels must be confused and puzzled by this sudden Moscow sponsored shift to Titoism. Purely local factors involved Politburo purge were (1) reduction Jewish domination (2) long expected promotion younger leaders: Hegedus, Vhidas, Foldvari, Veg, Acs, Szalai would seem be potential new team (3) elimination violently anti-Tito group from army leadership.

(2) If implemented, new policy represents check in process of Sovietization of more than temporary nature. Abandonment of priority for heavy industry and cutting back of current and presumably second five year plan (some of whose goals already announced), permission to dissolve collective farms, and encouragement of now practically non-existent small private industry and retail trade are definite steps backward with effects measured in years rather than months.

(3) Cutting back of heavy industry and increased local consumption for other commodities means less war materials, steel, railroad equipment, ships, wheat, meat, wine, etc. for Soviet Union.

(4) On other hand if new policy succeeds in raising morale of population and mitigating hatred for regime and Soviet Union, dangerous situation will be eliminated and long term prospects for economic and military support Soviet Union improved.

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[1]Telegram 6 is printed as telegram 4 to Praha, Document 34. Telegram 11 from Budapest is not printed. (764.13/7-453) Telegram 1123 from Budapest described a party reorganization which took place at the Central Committee Plenum of June 27-28. (764.00/6-3053) Telegram 1 from Budapest conjectured briefly on the significance of the reorganization. (764.00/7-153) Telegram 10 reported that the parliamentary session of July 3 failed to throw any light on the reasons for the governmental reorganization (764.00/7-353) Telegram 16 discussed the meaning of Nagy's speech of July 4. (511.6441/7-553) Telegram 20 reported a cautious attitude in Hungary concerning Nagy's July 4 speech. (764.00/7-753)

(5) Propaganda value in West of elimination worst abuses and violations human rights will be considerable.

THOMPSON

No. 38

766.00/7-953: Telegram

The Minister in Rumania (Shantz) to the Department of State

SECRET BUCHAREST, July 9, 1953—11 a. m.

3. Living standards, especially consumer foods, steadily lowered during past year. (Deptel 1, July 6, 1953[1]) This increased chronic discontent with regime as proved by remarks we heard made by persons in long queues and conversations with many Rumanians in city and some in country-side.

We have no first hand evidence that discontent has taken overt and bolder form recently. Unsatisfactory food situation publicly admitted by regime which has taken steps to improve it among both workers and peasants. City food supplies increased beginning this month, agriculture rules relaxed and peasants authorized retain larger amounts for own use. Good crops in prospect.

Regime also took cognizance of discontent by increased call-up army reserves which placed potential malcontents under government control; and perhaps through amnesty April 1 although this undoubtedly prepared before death Stalin. No mention of amnesty since in press and effect believed slight.

Our views coincide with those of Department as summarized in reftel paragraph 2 except that we would modify second sentence to indicate rate of Sovietization has been temporarily slowed due to discontent here and to less extent due reports unrest other satellites. See no evidence Soviet power structure in Rumania is disintegrating in any way.

SHANTZ

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[1]Printed as telegram 4 to Praha, Document 34.

No. 39

100.4 PSB/7-1153

Memorandum by the Special Assistant to the President (Jackson) to the Members of the Psychological Strategy Board[1]

SECRET WASHINGTON, July 11, 1953.

The President has instructed me to advise you that he would like PSB to work out a plan to institute a food program for the satellites similar to the current one for East Germany.

He appreciates that it may not be possible to do it for all the satellites—for instance, Rumania might be difficult. He is particularly interested in Czechoslovakia, Hungary, and Poland.

I would like to add Bulgaria to the President's list if they are reasonably hungry.

The President also thought that we should explore the possibility of buying Danish cheese, say a million dollars' worth, as part of this program. Mr. Allen Dulles will be pleased to hear that the President thought the million dollars could come from him.

The President is most anxious that this be done immediately, while matters are still hot.

I am asking Mr. George Morgan to put this on next Wednesday's agenda, when the President would like to have this matter buttoned up.

C.D.J.

[1]Copies of this memorandum were sent to W.B. Smith, Allen Dulles, Kyes, Stassen, Morgan, and Cutler.

No. 40

PSB files, lot 62 D 333, Luncheon Meetings

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Under Secretary of State (Smith)[1]

SECRET [WASHINGTON,] July 14, 1953.

Subject: Proposal to Extend Offer of Food Supplies to Eastern European Satellites.

[1]Drafted by Vedeler and Katz and cleared by Barbour, Bonbright, Winthrop M. Southworth, Jr., and an officer in the Bureau of Economic Affairs.

Discussion:

In a memorandum of July 11 to the Members of the Board of the PSB,[2] Mr. C. D. Jackson advises that the President would like the PSB to work out a plan to institute a food program for the satellites similar to the current program for East Germany. This matter will be considered at Wednesday's PSB meeting.

You will recall that this question was considered by the PSB last May and was dealt with in a memorandum to you of May 12 from Mr. Linder and me (Tab A[3]). It was then considered that while there were serious shortages of certain foodstuffs in each of the Soviet orbit countries there was no indication that the situation was critical or threatened to be in the near future. It was concluded that in the absence of conditions of critical need offers of foodstuffs to satellite countries would be inadvisable.

It is believed that reasons outlined in the memorandum of May 12 are still valid and that the present situation in the satellites is even less favorable for offers of foodstuffs.

Recommendation:

It is recommended that:

1. You take the position that while offers of foodstuffs to the satellites may be an effective move at the proper time it would be advisable to defer any such step for the present for the following reasons:

a. The expectation everywhere that the offer would be refused in view of the Soviet refusal of the offer for East Germany would make it difficult for this offer to appear genuine, since no food could be gotten into the satellites in the event of a refusal.

b. This would be particularly true since harvests are already in progress in most of the satellites and there should be greater food supplies immediately at hand than at any other time of the year. Some of the satellite regimes have also recently made available in the stores and markets more foodstuffs possibly as a result of good harvest prospects or as a result of the East German experience.

c. The difficulty of giving plausibility to an offer to the satellites at this time might react adversely on our program for East Germany where there is at least a possibility of getting our food supplies into the area.

2. Consideration might be given to a Presidential statement at an appropriate time which would summarize our efforts to aid the people of East Germany and declare that in accordance with our traditional policies we would also be willing to aid people in other

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[2]See *supra*.

[3]No memorandum was found attached to the source text.

satellite countries should conditions exist which would make possible the shipment of food to these people.

3. The possibility of making an offer of food supplies for the satellites should be kept under continuing consideration in relation to a close scrutiny of the developing food situation in the satellites. In this examination the views of the missions in the field should be obtained as to when conditions of critical need might exist to make this program desirable.[4]

[4]According to a memorandum recording the decisions of an informal PSB meeting of July 15, the foregoing recommendations were approved by the Board. It was also decided that the Department of State and CIA should instruct their representatives in the field to watch for favorable opportunities for the extension of the food offers to Eastern Europe. (PSB files, lot 62 D 333, Psychological Strategy Board) An instruction to that effect was transmitted to the U.S. Missions at Warsaw, Praha, Moscow, Budapest, and Bucharest in circular airgram 412, July 30. (860.03/7-3053)

No. 41

760.00/-1253:Telegram

The Secretary of State to the United States Mission at the United Nations[1]

CONFIDENTIAL WASHINGTON, August 12, 1953—5:20 p. m.

45. Re: Unrest in Eastern Europe. We consider popular demonstrations in Eastern Germany[2] as highly significant development. There now exists clear evidence of unrest within satellite countries of Europe showing that these people want to be governed by those whom they select as responsive to their needs rather than by those who take their orders from alien masters. Problem of self-government and self-determination for these people is of direct concern of UN. Thus far discussion in UN of self-determination and self-government has centered almost exclusively on developments in dependent areas. Millions of dependent people have in recent years acquired independence or autonomy while formerly free and sovereign countries of Eastern Europe have fallen under a new imperialist tyranny. For this, if for no other reason, it is important that UN attention be focussed on Eastern Europe.

Moreover, we believe that present situation in satellite Europe causes Soviets real difficulties. We should keep directing world attention to manifestations of unrest in that area, not to precipitate fruitless armed revolt, but to help satellite people demonstrate to

[1]Drafted by Eric Stein, Acting Officer in Charge of Pacific Settlement Affairs, and cleared with Thurston, Campbell, Kidd, Runyon, Bonbright, Scott, and Murphy.

[2]For documentation on the uprisings in the German Democratic Republic in June 1953, see vol. VII, Part 2, pp. 1584 ff.

Soviet leaders impossibility of holding these peoples indefinitely in subjection.

Finally, world must realize that as long as Iron Curtain separates Soviet orbit from free peoples, there can be no basic change in present international tensions. Important to emphasize this point in UN, particularly in anticipation of intensified Soviet peace offensive.

These considerations lead us to believe that GA should discuss Eastern European developments at its 8th session. The debate itself is of greatest importance. Type of resolution to be adopted, if any, is of lesser importance.

Request you consult with French, UK and Canadians with view to obtaining their reaction to following alternative agenda items:

1. Request Assembly consider Soviet repressive measures in Eastern Germany (including denial of US food relief) in light of UN Charter (Articles 55 and 56) and Universal Declaration of Human Rights.

While centering on Eastern German situation, debate might encompass reference to Eastern Europe in general. Since we would not ask GA to "invalidate or preclude" any action taken in Eastern Germany, there should be no valid objection to debate under Article 107. We are inclined believe debate would not have seriously prejudicial effect on Soviet attitude in any Four Power talks on Germany although we realize some UN Members might believe that it would create complications. Resolution might note results of debate as confirming urgency of terminating Soviet controls in Germany and consequent need for unification, and ask Four Powers to note this point in any meeting on Germany.

2. Request Assembly endorse principle of free elections in satellite Eastern Europe.

This formulation, while providing adequate basis for discussing Eastern German situation, would also avoid objections based on Article 107 and possible apprehensions that focus on Germany might prejudice success of Four Power talks on Germany. It would be fully in accord with our position re German unification through free elections. Any move to extend resolution, e.g., to North African and other colonial areas would have to be met in light of tactical situation.

We appreciate that to be effective an item of this character must enlist very broad support; otherwise Soviets will be quick to exploit hesitancy of UN Members to agree. We recognize that principal objection from others likely to be that introduction such an item will increase tension at moment when Korean armistice, possibility of Four Power talks and Soviet tactical shifts in general seem to open up avenues toward relaxation. However, as indicated above, we

consider recent developments to be so important that UN, if it is to reflect realities of our time, cannot ignore this problem.

Request you report results of consultations soonest.

DULLES

No. 42

611.49/8–1553: Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State

SECRET PRAHA, August 15, 1953—11 a. m.

60. 1. Prime Minister received me today for approximately two hours. Highlights his comment on *aide-mémoire* (Deptel 9, July 14[1]) were:

He had discussed outstanding issues with my predecessor, including nationalization claims and steel mill specifically mentioned in *aide-mémoire*; my government would know Czech Government position thereon.

Aide-mémoire mentioned Oatis case; he had told me six months ago Czech Government "did not consider this case vital issue but rather excuse for US restrictive acts". Since then Oatis had been released "in accord with Czech legal procedure and without any conditions attached".

On other hand, prior thereto I had given assurances (see my note April 13[2]) that following Oatis release "trade restrictions would be removed, flights over Germany resumed, et cetera". He had however seen little sign of US Government desire re-establish normal relations; instead hostile acts against Czech Government has continued".

Nevertheless, in spirit its basic policy of endeavoring contribute towards better understanding between peoples and world peace, Czech Government was prepared negotiate with US re these issues.

That said and *aide-mémoire* having mentioned specifically steel mill and nationalization claims, he would like learn from me US Government's views these two issues.

2. In reply I first recapitulated measures we had taken following Oatis release to lift restrictions on trade and travel and, because of Prime Minister's singling out overflights question for special mention, I added "I should be glad submit any specific request or pro-

[1]Not printed. (611.49/7–1453)

[2]Not further identified.

posal re this matter to my government." This latter seemed satisfy him.

I then deprecated his reference to "hostile acts"; that was certainly not spirit in which my *aide-mémoire* was written. He commented: "Is it for me to tell you what constitutes lack of respect for international law, national sovereignty and normal diplomatic observances as shown by such acts as sending balloons? What would you say were we to do the same in Puerto Rico?"

Sending balloons, I answered, was certainly not hostile act by my government if only because it was Free Europe Group and not US Government which performed it. This point aside, however, what I wished to assure him of was that my *aide-mémoire* was written in all sincerity; my government hoped with equal sincerity I might find with him mutually beneficial solution outstanding economic issues.

3. I then asked if he had been informed that recent negotiations between his Ministry Foreign Trade and an American firm had progressed to point where firm had made substantial offer for steel mill; it was this fact which had prompted my request for early meeting; if this offer was agreeable to Czech Government, my government wished be as helpful as possible in facilitating disposition this matter.

Prime Minister answered he knew new offer had been received but not its details; would I tell him what I knew and explain how US Government could be helpful?

In reply I named firm, said it had offered $6,500,000 for steel mill not including $2 million equipment and wished answer in two weeks. I then outlined escrow procedure and argued that, if firm's offer was in fact agreeable to Czechs, they would, especially in view urgency of taking decision thereon, find escrow procedure proof my government's desire be helpful in general disposition this and other issues to benefit both countries.

Prime Minister followed translation my remarks closely, then said in substance: "I understand, but how would you feel? Our position is that, if we sell, proceeds are ours to do with as we may wish. Would you agree to anyone being able tell you what you could do with your money? As I see it, you wish to tie your consent to our using our own money to our agreeing to pay at least a part of it to you on account of your nationalization claims."

He then recapitulated Czech Government position: Czech Government had bought mill; US Government had prohibited its delivery; morally therefore US Government should take over steel mill and reimburse Czech Government its full outlay. If this was impossible and Czech Government sold steel mill, proceeds should be its own, as US Government has recognized, to do with as it pleases, as US

Government apparently does not recognize. Here, on Czech view, US Government was not only morally wrong but legally wrong as well, because only basis for US Treasury blocking order was in US laws on trading with enemies, and Czech, victim of German aggression, was not an enemy.

I answered that while I could understand Czechs would feel as he said, three facts remained: Firstly that US Treasury felt quite sure of its legal position; secondly that it was now four years since negotiations had been opened for settlement nationalization claims; and lastly that we were faced today by concrete situation of some urgency in which offer to buy steel mill had been made; if Czech Government wished accept, my government wished facilitate deal to best its present ability.

4. I then turned conversation back to *aide-mémoire*; it had been written before I even knew of this new offer to buy steel mill; I had welcomed his initial reply that, in interest peace and good relations, Czech Government was prepared negotiate re outstanding economic issues; my government hoped agreement of maximum scope might be reached. Had I, I asked, his approval that I seek such agreement by pursuing our present exploratory talk with Foreign Office or Ministry Foreign Trade?

He replied it would be better for me to talk with Minister Foreign Trade; he would see him tomorrow; then Minister, who would know details of steel mill offer, would talk with me early next week.

5. I ended conversation with reiteration sincerity your desire achieve general disposition all possible issues to benefit both governments. Prime Minister throughout seemed interested and responsive. At one point he said: "We have concluded agreements with practically all other countries for settlement their nationalization claims. We can do so with you too but only on similar terms. As President Zapotocky told you (see Embtel 340, January 20[3]) it must be within framework our possibilities, hence on basic percentage our exports."

6. I think it would be helpful if I could have Department's initial reaction this telegram before I see Minister Foreign Trade.[4]

WADSWORTH

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[3]Document 19.

[4]The Department of State responded in telegram 30, Aug. 17, by instructing Wadsworth to avoid appearing too anxious concerning the sale of the mill and to attempt to persuade the Czechoslovak Government that the escrow arrangement would permit time for detailed negotiations on a general economic settlement. (611.49/8–1553)

No. 43

PPS files, lot 64 D 563, "Regional Conferences"

Memorandum Prepared in the Department of State[1]

TOP SECRET [WASHINGTON?, October 1, 1953.]

CONCEPT AND IDEAS FOR PSYCHOLOGICAL WARFARE IN EUROPE DEVELOPED BY THE CHIEFS OF MISSION MEETING AT LUXEMBOURG ON SEPTEMBER 18–19, 1953

I. BASIC CONSIDERATIONS

A. Psychological or political warfare is the reflection of policy and political objectives. It can be a useful handmaiden to attain and support such objectives. Actions are the best propaganda, for Washington is under a world microscope and everything we do or say is subjected to close analysis and world press coverage. Our position in the world is therefore based on what we do rather than what we say about ourselves.

B. Western European countries have developed a high degree of immunity to propaganda from whatever source. United States information programs should be as quiet and subtle as possible and the United States label should generally not be allowed to appear.

C. Our psychological warfare effort should never be allowed to run ahead of carefully considered political objectives as there is always the danger if this is allowed to happen that psychological warfare can start to make policy rather than serve it.

D. Before any psychological warfare operation is undertaken it should be carefully examined to determine whether it is calculated to serve both short term and long term political objectives. Political

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[1]The summary minutes of the Chiefs of Mission meeting were divided into three major sections: the morning session of Sept. 18, encompassing an introduction by Merchant and country reports by Bohlen, Conant, and Dillon; the afternoon session of Sept. 18, consisting of country reports by Luce, Chapin, Alger, and Aldrich, a report by Merchant on FY 1955 Foreign Aid estimates, a review by Hughes of developments in the NATO Council, and a telegram (Colux 3, Sept. 20, see vol. v, Part 1, p. 808), in which the participants in the conference summarized the discussions; and the morning session of Sept. 19, including only the memorandum on psychological warfare, presented here, and a telegram (Colux 4, Sept. 19, not printed) from Luxembourg concerning U.S. foreign trade policy. For the minutes of the first and second sessions (except for telegram Colux 3), see vol. VI, Part 1, pp. 666 ff. According to a memorandum by Secretary Dulles to President Eisenhower, Oct. 8, the psychological warfare memorandum printed here and the Principal Conclusions of the subsequent Vienna Chiefs of Mission meeting (see footnote 1, *infra*) were delivered to the White House on Oct. 8. (Secretary's Letters, lot 56 D 459, "Memos for the President, June–December 1953") For the responses of C. D. Jackson, Oct. 12, and President Eisenhower, Oct. 24, to the contents of these two papers, see Documents 45 and 49.

warfare operations should be kept under day-to-day review with the view to assuring that they are in timing and purpose linked with political policy.

E. "Propaganda begins at home", i.e. the American domestic scene and our actions on the world scene are the basis of our psychological warfare effort abroad. Our country is open for the world to observe. The best persons to present our case abroad to their respective countries are those who visit us and observe our institutions and our national character. The Cultural Exchange Program should be increased and visa procedures liberalised in order particularly to permit intellectuals and publicists to visit the United States and to return and inform their own people what they have observed.

F. President Eisenhower's world prestige is enormous and his April 16 speech[2] as a basic statement of American policy was carried in all newspapers of any consequence throughout the world. His address has a reassuring and salutary effect. The President's great prestige should be availed of in carefully considered pronouncements on American foreign policy objectives.

II. WESTERN EUROPE

A. Western European countries are generally distrustful of what they consider to be American policy objectives vis-à-vis Eastern Europe. Pronouncements by important American officials about the "liberation" of Eastern Europe causes fear and anxiety in Western European capitals. It is generally believed that American impatience and implacable hostility to Communism might result in hasty and ill-considered action and that American political warfare and covert operations directed against Eastern Europe might set up a chain reaction leading to military conflict, which Western Europe desires to avoid under almost any circumstances.

B. How hot should be the cold war? Western Europeans will go along with keeping the Eastern European pot lukewarm or even simmering but they fear that American political warfare is inclined to keep the pot at a constant boiling point.

C. The United States should coordinate its psychological warfare operations (i.e. its policies) more closely with its Western European allies both to reassure them and to insure their support and participation. American unilateralism in this field is dangerous and serves divisive forces within the Western Alliance, which in turn serves the Kremlin's objective to break the Western Alliance. (The East Berlin riots of June 17 and American psychological warfare

[2]For text of President Eisenhower's Apr. 16 speech, "The Chance for Peace," see Document 585.

operations related thereto[3] caused serious difficulties with our principal allies who also have responsibilities and vital interests involved. It would have been better to have consulted with them with a view to enlisting their support and cooperation.) Our psychological operations at times serve to increase fears on the part of our allies that we were prepared to break in the windows; to bring the pot to a boiling-over condition, the grave consequences of which we have perhaps not weighed and carefully considered.[4]

D. Considerable doubt was expressed as to the operations of American labor representatives in Europe, particularly in France and Italy. Certain American labor leaders have become deeply involved in complicated trade union politics in France and in Italy by giving support, perhaps for personal or ideological reasons, to particular groups. This American labor financial and other support had caused certain factions of French and Italian labor to strengthen their respective positions within the two labor movements sometimes to the disadvantage of non-Communist unification in the French and Italian labor movements. It would be well for Washington to examine the activities of these American labor representatives with a view to insuring that their activities are linked in to our political objective of increasing the strength of the non-Communist trade union movement in Europe.

III. EASTERN EUROPE

A. Our psychological warfare operations directed against Eastern Europe should never be allowed to run ahead of our political and military policies. One basic long term objective of American policy is to work toward the withdrawal of the Soviet Army from the eastern zone of Germany and from the Eastern European satellites. Our political warfare operations, both overt and covert, directed against Eastern Europe should be constantly reviewed with the view to assessing whether or not they are advancing or retarding the withdrawal of Russian military forces.

B. The Russians will probably eventually consider it in their interests to withdraw their military forces from Eastern Europe satellites. There is little we can do by political warfare operations to advance the date of such withdrawal. Stirring up resistance elements or incitements to revolt might have the long range effect of retarding a Soviet military withdrawal. Our operations in this field should be very carefully studied with the view to insuring that they forward rather than retard this objective.

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[3]For documentation concerning the uprisings in the German Democratic Republic, see vol VII, Part 2, pp. 1584 ff.

[4]In the margin next to this sentence was written: "A hell of a kitchen."

C. The spirit of resistance in Eastern Europe will not die out. Our psychological warfare effort should be tailored to assist in keeping this spirit in existence but should never incite to rebellion or revolts which could only have the effect of destroying the healthiest and best resistance elements within the satellite countries. Psychological warfare plans and programs should be constantly checked for their efficacy and desirability by the American diplomatic missions within the target countries.

D. Psychological warfare and secret operations have definite limitations and we should never consider that Eastern Europe can be liberated by political warfare devices no matter how well planned and energetic they may be.

E. Considerable concern was expressed relating to the recent PSB paper setting forth plans to increase psychological warfare directed against Eastern Europe.[5] The implications of this paper seem to be that we should keep the pot virtually at a boiling point in Eastern Europe. In addition, the paper contained the dangerous implication that we should encourage rebellion in Czechoslovakia presumably for the reason that the Soviet Army is not present in that satellite.

F. Our information and propaganda output should cease referring to the Russian "peace offensive". Even if this phrase is used within quotation marks, those quotation marks have a tendency to disappear. The end result tends to be that the Kremlin is identified in many minds somehow with peace. The obverse of this coin is that the West not being identified with peace is somehow identified with war, an important Soviet objective.

G. We have apparently given the impression that we are afraid to sit down and meet with the Russians. Actually, the principal meetings between the Russians and the Western allies have resulted in propaganda victories for our side and we should abandon any general reluctance to confer and exploit our position where strong, as is the case regarding Germany. The view was expressed that the Kremlin does not want such a meeting which would certainly bring out further for the world to see Russia's inflexibility and its disinclination to abate world tension, except on the Kremlin's terms.

IV. "RESISTANCE"

Resistance elements, historically, have proved effective only on the eve of liberation by military force, i.e. the F.F.I. in France just before and after the Normandy landings. During the occupation of France thousands of persons who attempted active resistance were

[5] Reference is to PSB D–45, not printed. (PSB files, lot 62 D 333, PSB D–45 Series)

shot, deported or imprisoned. The resistance elements who survived were the quiet organizers and the pamphleteers.

Any secret operations in Eastern Europe should not be calculated to encourage resistance elements to activism, sabotage and rebellion, which will only result in their being killed off prematurely. Our psychological operations from without should refrain under existing circumstances from incitement to revolt. We should confine our effort to keeping the spirit of resistance alive.

No. 44

PPS files, lot 64 D 563, "Regional Conferences"

Summary Minutes of the Chiefs of Mission Meeting at Vienna, September 22–24, 1953[1]

TOP SECRET [VIENNA,?] September 29, 1953.

Participants:

Department:	Assistant Secretary Merchant Mr. Mose L. Harvey Mr. John Y. Millar
HICOG Bonn:	Ambassador Conant Mr. Walter C. Dowling
Berlin:	Mr. Cecil B. Lyon
Embassy Moscow:	Ambassador Bohlen
Embassy Prague:	Ambassador Wadsworth Mr. Nat B. King
Embassy Vienna:	Ambassador Thompson Mr. Charles W. Yost
Embassy Warsaw:	Ambassador Flack
Legation Bucharest:	Minister Ravndal
Legation Budapest:	Minister Shantz

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[1]The summary minutes were divided into six major sections: the five printed here, arranged according to the five sessions held during the three-day meeting, and a summary, entitled "Principal Conclusions," not printed, which served as an introduction to the minutes. According to a memorandum by Secretary Dulles to President Eisenhower, Oct. 8, the Principal Conclusions, along with the psychological warfare memorandum prepared at the Luxembourg Chiefs of Mission meeting, *supra*, were transmitted to the White House on Oct. 8. (Secretary's Letters, lot 56 D 459, "Memos for the President, June–December 1953") For the responses of C. D. Jackson, Oct. 12, and President Eisenhower, Oct. 24, to the contents of these two papers, see *infra* and Document 49.

SESSION OF SEPTEMBER 22ND—MORNING

Mr. Merchant opened the meeting with a brief outline of recent developments since Stalin's death which he thought on balance had been favorable to the United States. He also covered the high points of the Chief of Mission Meeting in Luxembourg, mentioning such topics as the outlook for EDC, Trieste, and the political situation in France and Italy.

Austria—Ambassador Thompson

At the present time political and economic conditions in Austria are good. In the election in February 1953 the Communist vote amounted to only 5.3% and they obtained just four seats in Parliament. Austria may have some serious economic problems, however, if a State Treaty is concluded. For example, it is estimated that the cost of raising an Austrian army would amount to as much as one hundred million dollars, constituting a completely new budgetary obligation.

The Soviets have made a number of concessions in Austria since the new look in overall Soviet policy, such as the abolition of check points in interzonal travel and the cessation of occupation costs. They have really gone further than circumstances required and it would be difficult for them to reverse their field. There appear to be three further important steps that the Soviets might take. They might offer to return some of the German external assets, particularly the ones that are uneconomic. It is known that the Soviets have had to buy very considerable amounts of local currency to finance the operation of some of these former German properties. A second possibility would be a token withdrawal of occupation troops. Complete withdrawal of all occupational forces would leave the Soviet forces much closer to eastern Austria than the Allied troops could be. Thirdly, the Soviets might propose to negotiate a separate treaty with Austria. Although the Austrians think that a treaty is worth almost any sacrifice and feel that the United States somehow would bail them out of any serious economic difficulties that might result, it does not seem likely that the Soviets will agree at present to an Austrian Treaty, either unilaterally or multilaterally. (Mr. Bohlen agreed). Instead, it seems that their policy is to make concessions which will render the occupation more tolerable for the Austrian people and thereby permit the present situation to continue. In this connection, while the Austrians would almost certainly accept Article 35 in order to conclude a treaty, they have a firmer view against accepting neutralization as a price for a treaty. Leading Austrian officials have indicated that they would not accept such a principle, although they probably would

agree that Austria would not become a member of NATO or permit NATO use of Austrian territory.

The biggest problem confronting the United States at the present time is our military position in Austria. The British withdrawal of troops has placed the United States and France in a difficult position. In so far as the relations between United States troops and the Austrian public are concerned, the main problem is that of housing. The requisitioning of buildings intensifies the housing shortage in a given area and provides the property owners with a much smaller rental income than they would receive from private tenants.

East-West trade is also a major difficulty for us. In trying to turn Austrian trade from the East we are trying to divert it from an area where it had practically no competition toward the much more competitive markets in the West. As far as Austria is concerned, East-West trade should be resolved ultimately on the basis of voluntary controls. Otherwise our efforts might very well be self-defeating due to friction and ineffectiveness.

If we do not succeed in obtaining an Austrian Treaty we might be able to improve the situation somewhat by modification of the occupation controls.

Western Germany—Dr. Conant

In considering the recent elections it is significant that Chancellor Adenauer has a marked sense of responsibility as a consequence of his striking victory. Adenauer never waivered during the campaign from his platform of European unity, a European Army and the EDC. It is expected that he will go far to meet the French in order to promote the ratification of EDC. He will probably be disposed to make considerable concessions with respect to the Saar, even to the point of Europeanization, despite considerable feeling in Germany that the Saar should be a part of Germany. One curious aspect of the election campaign was the emphasis that Adenauer put on his own identification with the United States. One of his campaign devices was a moving picture of his trip to the United States, showing him on a United States Air Force plane, on board the SS *United States*, greeting the President at the White House and touring to Chicago and San Francisco. He felt that the German people were so sold on the idea of association with the United States that it was good politics to present himself as the person who could deal effectively with the United States and who had succeeded in raising Germany to the level of an equal.

In connection with the often-expressed opinion that the United States is putting all its eggs in one basket by relying so heavily on Chancellor Adenauer, it is interesting to note that with the abso-

lute majority of the Christian Democratic Party in the German Parliament, the CDU could select another Chancellor without holding an election in the event that anything should happen to Adenauer.

Berlin—Mr. Lyon

Before Stalin's death and the June 17th riots, the Sovietization of East Germany was in full swing with emphasis on such measures as the creation of a national army and agricultural collectivization. Following Stalin's death there was a period of confusion for about six weeks. On June 11 the new course was finally announced and it contrasted very sharply with earlier policies. The pace of industrialization was slowed down. The East German Government offered to return property to refugees who might return to East Germany (although few did). The rapid build-up of East German armed forces was curtailed. In brief, the whole tempo of socialization of East Germany was slowed down, apparently on the theory that it had been building up pressures which might cause trouble. A ten percent increase in workers' norms was not removed, however, perhaps because greater production would be required to realize the program of increased consumers goods and higher living standards which was also part of the new look package. This was the issue which subsequently triggered the demonstrations in East Berlin on June 16–17.

On June 16th some of the workers in Stalin-Allee began to march to lodge a protest with GDR officials against the increased norms. Surprisingly, they were not restricted by the police and this may have encouraged them to carry their protest further. It was clear that on the following day there would be larger demonstrations. By the morning of June 17th the Soviets had moved three armored divisions into East Berlin, with three hundred tanks. They put an end to the uprising during the course of the day. Nevertheless, there is general agreement that there could be another mass protest on some future occasion, since this was a perfectly spontaneous development arising from deep-seated dissatisfaction—and the dissatisfaction is not likely to be dissipated soon. In many ways the uprising grew out of a mass loss of temper. At any rate the events of these two days destroyed the myth of the workers paradise under Communist rule and exposed the failure of the puppet regime to gain the allegiance of its captive subjects.

In hindsight, it seems that the Germans interpreted the relaxations of June 11th as a sign of weakness on the part of the Soviets and this may have helped to unleash the antagonisms that had been pent up for so long.

While RIAS played a role by broadcasting the facts, the revolt itself was caused by the pressure of events and not by outside instigation. It appears the Soviet Army was not prepared psychologically to cope with such a development, since on the morning of June 17th their troops started out waving to the crowds and seemed surprised that the population was hostile and in fact revolting against them. Nonetheless the Soviet Army reacted quickly, showed great restraint in not firing on the crowds and showed no hesitation whatever in coping militarily with the situation.

SESSION OF SEPTEMBER 22ND—AFTERNOON

Berlin—Mr. Lyon

Continuing his report on Berlin, Mr. Lyon said that the Soviet position in East Germany appears to be weaker now than even before in the opinion of the three Allied commandants. The Soviets require about the number of divisions presently stationed in East Germany (33) to keep order. In order to undertake an offensive operation against West Germany they would probably need another 33 divisions. It is unlikely that a build-up of such magnitude would go undetected.

The Soviets appear to be confused since the events of June 17th. They are obviously on the horns of what for them must be a terrible dilemma. If they relax further, the Germans may interpret it as a sign of weakness, and thus be encouraged to push the Soviets further; on the other hand, a harsher policy might precipitate another crisis. The new course is still in effect in East Germany, perhaps to afford a breathing spell in which to rebuild the Soviet apparatus which was so severely damaged. (Even the East Berlin police proved to be unreliable during the riots.) The Stalinist policies of collectivization and East German militarism are being relaxed, but at the same time the Soviets are attempting to increase the Communist control over the individual citizens in East Germany. It is clear that for the time being at least they have lost the initiative.

We should now re-examine our own policy and determine whether it is wise to keep the pot boiling by psychological warfare measures. Whatever the advantages to be gained, they may provide a pretext for repressive measures and thus serve to tighten Communist control. There is a possibility that if we push too hard in Berlin the Soviets might decide to take further measures to neutralize us. As long as we remain in Berlin we will be impeding the satellitization of East Germany.

The East Berliners are in a defiant mood, although they have acquired respect for the Soviet armed forces. There is some inclina-

tion to believe that we let them down by failing to support the riots, but they realize now that they are on their own.

Czechoslovakia—Ambassador Wadsworth

Ambassador Wadsworth began his review of developments in Czechoslovakia by stating this year had begun with the closer integration of the Communist Party and the Government with the formation of a Soviet-style Presidium. This trend was subsequently reversed somewhat when Novotny was removed as a Deputy Prime Minister and installed as First Secretary of the Communist Party. Despite its Communist nature, the Government has retained a Western format, with four political parties, a good deal of ostensible criticism, and other trappings of the democratic process. Following President Gottwald's death, Zapotocky, a Communist, but a man with a good deal of appeal for the average citizen, took over the Presidency. For a short time the people seemed to hope that things might be different but their hopes soon glimmered out and resignation set in.

It appears that in December Czechoslovakia will successfully fulfill the fifth year of its Five Year Plan. It has the biggest budget in its history this year. Ten percent is allocated for military purposes and sixty percent for economic development, although undoubtedly a substantial proportion of the economic funds will have a military aspect. The Army is presently estimated at 185,000 and is showing regular progress. The Air Force recently staged an air show consisting of 135 MIG 15's, probably every one of which was built in Czechoslovakia in the last year. Their aircraft production is expanding continuously. Three new airfields near the German border have recently been completed.

There have been two important economic developments since the death of Stalin. First is the monetary reform which was announced on June 1st in a very detailed manner.[2] All prices and wages were reduced to one-fifth of their former level, as was the value of the currency. However, conversion of funds in banks to the new currency was carried out at the rate of only 1/50 of the former amounts, thus eliminating all savings and virtually wiping out the kulak class, which was apparently the intention. The demonstrations that followed this monetary reform were relatively insignificant, but perhaps they would have been of a different magnitude if the East Berlin riots had taken place first.

The other significant economic development was the 62 page speech by the Prime Minister on September 15.[3] This definitely

[2]Regarding the currency reform and its effects, see Document 31.

[3]Široký's speech was summarized in telegram 102 from Praha, Sept. 16. (749.21/9–1653)

laid out a new economic policy for Czechoslovakia and for the first time set forth a phrase which seems to be the policy's catchword: "The law of proportionate development of the national economy". It follows the pattern of other recent economic policy developments in Soviet-controlled areas. Investment in heavy industries is greatly reduced with a proportionate increase in consumer items such as food, clothing, and housing. This is to be accompanied by a reduction of prices. The new policy appears to be an attempt to gain greater public acceptance of the regime through the attainment of better living conditions. The people of Czechoslovakia have been brought down to the point where they may think that the Government has presented them with an unparalleled opportunity for improvement.

Although the Churches and schools are completely controlled by the Communists, more people are attending than ever before, and there is an intense religious fervor in Czechoslovakia.

In about two weeks the Czechoslovak Government may be ready to receive specific United States proposals regarding settlement of outstanding economic difficulties. Our principal interest is in receiving compensation for nationalized properties which may have a value of 30 to 40 million dollars. It is difficult to see how a really satisfactory arrangement can be reached since the Czechoslovaks will probably offer to pay compensation at the rate of 8 percent of annual US-Czechoslovak foreign trade. As trade has dwindled to a level of about 1 million dollars a year, this would be an extremely slow process. One of their main economic interests is to re-establish overflights of Germany by Czechoslovak civil aircraft. Since the Dutch hope that we will agree, in order to protect their own civil air route to Czechoslovakia, this is something of a problem for us.

Our fundamental objective at the present time should be to keep hope alive among the people of Czechoslovakia, who are about 80 percent on our side. The country is being assimilated into the Soviet pattern, yet they hope that somehow events will eventually make it possible for them to rejoin the free world. We must do whatever is possible to keep alive this hope. There is a latent Titoism in Czechoslovakia which might bear watching, since the country is headed by a popular national figure and the regime has a nationalistic character.

Ambassador Wadsworth concluded by saying that a phrase in a recent book by Hugh Seton-Watson was particularly descriptive of Czechoslovakia: "The public and private lives of a hundred million people in Eastern Europe are being changed at break-neck speed."

Poland—Ambassador Flack

Ambassador Flack began his description of the situation in Poland by saying that despite the new collective leadership line being preached in the Soviet Union and in other Soviet-controlled countries, the Polish chief of state is being built up as an individual in the Stalin pattern. Soviet control of Poland is more obvious than in some of the other satellites since the three Polish armed services are headed by Soviet officers and a Soviet marshal commands the entire armed forces. Poland is distinctive also in that there are 40,000 Soviet troops in the country to maintain the line of communication between East Germany and the Soviet Union. There has been a marked construction of fields for jet aircraft, particularly to the east of the former German territories, along the Baltic and in central Poland. Presumably they are to be available in case the Soviet armed forces pull out of East Germany. While it is extremely difficult to make any more than a guess about Soviet intentions with respect to East Germany, it may be a straw in the wind that there has been little rebuilding of war damage in the former German territories of East Prussia and Silesia. In many towns, buildings have been deserted which only needed minor repairs such as new window panes. Entire villages have been abandoned which could have been rehabilitated with relatively minor effort. This suggests that the Communists may not be thinking in terms of the long-range integration of these territories with Poland, but of their possible reversion to Germany at some future time.

Despite reports about disturbances in Poland following the East Berlin riots, there was no confirmation whatever that tanks had been destroyed, troops disciplined or that any such events had occurred. Allied officials had travelled extensively through Poland for about a week after these alleged events and had found no evidence whatever.

One of the greatest problems of the Communists in Poland is the Catholic Church, which has the loyal support of 95 percent of the people. It is the only organization in opposition to the Communist Party. It is impossible to foresee how the struggle between the Communists and the Church will come out, but it seems as though the power of the Church is gradually being curbed and that it will not be able to survive more than another decade or so under present conditions. While some of the priests have sworn allegiance to the regime, there is some doubt whether they are sincere or merely going along because of prevailing conditions.

Economically, Poland is the only one of the European satellites where the new look has not developed. Collectivization is still going

forward. In fact during the last year there has been a one hundred percent increase in the number of collective farms which now total 7,000. The only new aspect is that certain facilities have been made available to small farmers who are having trouble with tax payments, but this is a minor point in comparison with the changes which have taken place in the other satellites and in the Soviet Union itself. Incidentally, as a general rule the collective farms are populated with shiftless farmers or those who are so badly off financially that this is their last recourse. Meanwhile, the industrial development program is continuing to go forward without any cutback. One of the main projects is the construction of a new steel mill for which the Soviets are supplying the equipment.

There have been no extensive measures to increase the supply of consumers goods or to make life more bearable for the population. It is difficult to find an explanation for this exception to the new look, but perhaps the Soviets consider that since Poland is geographically so close and since it is occupied and controlled by the Red Army, measures for relaxation are neither necessary nor desirable. Furthermore, the Soviets hate and distrust the Poles so intensely that they may be particularly reluctant to improve conditions in Poland.

Incidentally, in the first part of the year there were several executions of alleged US agents and of Poles who were accused of complicity. The purpose was probably to discourage contacts with US personnel and to intimidate the population.

There has been a problem in recent months about the relatives or dependents of American citizens who have received permission to leave Poland. The US Department of Justice is unable to authorize visas to applicants in countries which will not agree to accept deportees from the US. Poland is in this category. Consequently the only recourse for the applicant is to go to a third country and await a US visa there. Unfortunately this is not practical in most cases because of lack of funds. There are 4 to 6 cases involving close relatives of US citizens now pending. It is hoped that some solution can be worked out in Washington.

Hungary—Minister Ravndal

Mr. Ravndal began his summary of the situation in Hungary with the observation that apparently the Soviet plan for Hungary after World War II was incorporation into the Soviet Union, with a consequent very rapid Sovietization, including industrial development at all costs and intensive collectivization of agriculture. By 1952 there had allegedly been an increase in industrial production of 145 percent and the gross national product had risen 25 percent above the 1938 level. Soon after Stalin's death the new political

campaign was reflected in Hungary, but the new economic look did not develop. In fact, as late as May 10 Premier Rakosi declared that industrialization and collectivization would continue to be pushed at the same rapid rate. Between May 10 and July 4th it seems that a basic decision was made in the Kremlin reversing this policy, since on July 4 Premier Nagy, who had replaced Rakosi, dramatically announced the new economic look in his inaugural speech.[4] Among other things he announced a cutback in industrial development, a program to provide more consumers goods, the dissolution of concentration camps, the right to withdraw from collective farms under certain conditions, and greater protection of individual rights. Curiously, the people received even more than what was promised, since on September 6th an unannounced price reduction gave them 66 percent more purchasing power.

It is difficult indeed to explain why this new policy was adopted. Perhaps the intention is to provide time to rebuild the Communist Party, improve the state farms, develop a more efficient bureaucracy, and improve the training and effectiveness of the Army. Yet it seems likely that the softer policy will alienate many hard-core Communists since it precludes such orthodox features as the anti-kulak campaign and the anti-Titoist effort, and should prove unsatisfactory to them because it inhibits an intensive prosecution of the traditional Communist line. There are several possible explanations for the new policy, however. Perhaps with the absence of Stalin, who had been the great rallying point of the whole Soviet orbit, time is required to make internal readjustments and to develop a wider basis of support for the regime. Possibly, also, it seemed that in the present situation this was the tactic most likely to encourage neutralism and thus best calculated to promote the Soviet objective of disrupting NATO and preventing the incorporation of Germany in the Western alliance. Another possibility is that the Chinese forced the Soviets to undertake considerable industrial development in China, thus reducing the total industrial resources and obliging the Soviets to curtail the development of heavy industry in Hungary. Perhaps Hungary seemed too exposed to the West for further development of heavy industry there. It is also conceivable that the Soviets needed to increase food production and so shifted the emphasis from industrial development.

In any case, the change seems favorable to our cause. In this connection, it seems that concessions tend to lead to further concessions and make a reversal of policy ever more difficult. On the other hand, if the new look gains a posture of respectability for the

[4]Nagy's speech of July 4 was summarized in telegram 11 from Budapest, July 4. (764.13/7-453)

Soviets in the course of the next few years, they may be more dangerous than when their outrageous behavior made them the object of world opprobrium.

Finally, it is to be hoped that we can be as resilient in dealing with the new Soviet line as they have been in developing it.

Rumania—Minister Shantz

Mr. Shantz said that Rumania had been assimilated in the Soviet system so completely that Stalin's death and the June 17th riots hardly caused an outward ripple, although the people were glad in their hearts. Basically, however, they feel completely cowed and are just waiting for the United States to come in some day to rescue them. The Church is completely controlled in Rumania although the people still respect the Church.

While there was no new look politically or in the treatment of US officials, a major change in economic policy occurred on August 23 with the initiation of a program to increase food production and the supply of consumers goods. There was also a parallel reduction in industrial development amounting to 25 percent, and work was stopped on the biggest industrial projects such as the Danube–Black Sea Canal and the Bucharest subway. The regime then began to encourage private retail trade in food and consumer goods in an apparent effort to improve conditions and make the regime tolerable. At the same time it was of interest to note that there has been no let-up in the drive for collective farms.

SESSION OF SEPTEMBER 23RD—MORNING

Soviet Union—Ambassador Bohlen

Ambassador Bohlen opened his remarks regarding the Soviet Union by saying that it continues to be a totalitarian police state where every aspect of life is controlled by a very few men. The developments following Stalin's death have not changed this basic outline in any way nor has Soviet foreign policy undergone any fundamental change, although the USSR appears to have entered a new phase with unforeseeable results. The Soviet Union continues to be a threat to the United States and the free world because it regards all countries not under its control as hostile, to be destroyed or weakened, and because it has the capacity of maintaining huge military forces. In this context there is no acceptable alternative to our present policy of developing a position of strength and concerting closely with our allies.

Fundamentally, the present Soviet rulers appear to be seeking to avoid war and to reduce tensions somewhat, without at the same time being willing to relinquish control over any of the Soviet imposed satellites or to make any other substantial concessions. The

purpose is to obtain time for the far-reaching domestic readjustments required by Stalin's death. His absence from the scene left a great vacuum because he personally controlled every aspect of Soviet life and his influence and personality were intimately woven into the institutions and policies of the Soviet Union. All of Soviet Russia was subject to his will and whim. In his later years he apparently had a sort of paranoic attitude which led to increased rigidities and illogicalities of the Soviet system since he brooked no criticism and apparently foreclosed reexamination of policies or institutions. He had the characteristics of an oriental despot, whose predilection was to operate by conspiratorial and terroristic methods, with the result that the people were kept in perpetual insecurity.

Apparently Malenkov and his associates decided soon after Stalin's death that it was either impractical or undesirable to try to maintain Stalinism without Stalin. In any case the new regime has a somewhat different complexion from the previous one-man rule of Stalin. There has been a conscious destruction of the cult of personality and a corresponding emphasis on collective rule. The new regime apparently adopted two general policies to modify the Stalinist system and indeed to gain control over the void that he had left. The first was to build up the Communist Party as the controlling mechanism and to place it above and outside of the Government. This was a change from the Stalin era since he had downgraded the Party to an instrumentality of his own will. The collective principle was also applied to the Party with the consequent destruction of a number of little Stalins that had been allowed to develop in the person of the secretaries of various Party committees. Secondly, the new regime clipped the wings of the secret police, with the apparent intention of bringing the secret police back under the control of the Communist Party rather than leaving it as a kind of law unto itself. Incidentally, Beria may have gotten into trouble in connection with this process, since as a Stalinist, and as head of the secret police, he would probably have opposed its subordination to any group.

From the start it seems as though Malenkov was squarely in control. While no doubt there was some jockeying for position among the top personnel, it seems that there was no fullblown internecine struggle for power as has been widely conjectured. Basically, Malenkov appears to be an administrative type with outstanding executive ability. He seems to be trying mainly to make things run. He does not appear to be the type of leader that is motivated primarily by ideological considerations. Instead, he seems to be trying to normalize the Soviet system and to broaden the base of power by get-

ting away from the highly personalized characteristics of one-man rule.

One of the first domestic objectives of the new government seems to be to create the impression of greater personal security for individual citizens; that is, to move away from the reign of terror characteristic of Stalinism. The impression is building up that the average citizen will not be subject to arbitrary persecution by the secret police as long as he minds his own business and stays on the right side of the law. Related to this development and in consonance with the policy of broadening the acceptance of the regime, the Government is emphasizing its concern for improving the standard of living. This has been most strikingly demonstrated in connection with the better treatment of the private peasant holdings on collective farms. The substantial change in policy from opposition to encouragement perhaps reflects both the desire to make the regime more palatable to the peasants and an attempt to increase agricultural production and thus improve the living standard.

In the future we might be confronted with more difficulties if a more contented Soviet population should emerge from the present phase, since international Communism might then have more attraction. In the past, the terrorist aspects of Stalinism had helped to disillusion Communists in other countries, and the threat of Stalinism had helped to unite the West.

The present phase in the USSR might work out in one of three foreseeable ways. First, they might be successful in the complicated transition from one-man rule to a regime that is more widely based. Secondly, the attempt might end in crisis, perhaps induced by a relaxation of controls, and concluding in a return to one-man rule. If there were such a return to Stalinism, especially after a period of easement in internal affairs, enormous strains would be placed on the Soviet structure. Finally, there might be a military *coup d'état*, although there is no apparent prospect of such a development at this time.

Turning to foreign affairs, the fundamental objective is apparently to obtain a breathing period in which the necessary internal adjustments can be made. In this connection it is worth noting that Soviet foreign policy seems to be determined largely by domestic considerations, and especially by the implications of the decision in 1928 to industrialize the USSR, a backward agricultural country, by its own resources. The speed and magnitude of this enterprise go far to explain the terrible measures that were taken to force its achievement. This project was literally extracted from the hides of the people and it is still a major determinate of Soviet foreign policy. The Soviets probably do not seek to achieve normal relations in our sense of the word "normality", but rather to avoid the

stresses which make war an immediate and ever-present possibility. A certain amount of tension is a *sine qua non* of the Soviet system, since it serves as a pretext for the internal policies that are required to hold the apparatus together. While the Soviets are believed to favor an easing of tensions within this limited context, they are not willing to let go of anything they have gained, particularly any of the countries in which they have installed puppet regimes. The fear of war is very real, however, and extremely widespread throughout the country, according to foreign officials who have travelled recently through many parts of the Soviet Union. In the interest of normalizing foreign relations and of eliminating untidy situations of the Stalinist era, the Soviets have made a number of minor adjustments with such countries as Turkey, Yugoslavia and Greece. Rather than indicating a prospective *rapprochement* between the Soviet Union and Yugoslavia, however, the recent exchange of ambassadors is more likely to mean that the Soviets have accepted the deletion of Yugoslavia from the orbit and that they wish to set up the kind of relations with Yugoslavia that they have with other non-Communist countries.

In Europe, Germany is clearly the prime Soviet objective. The events since June 17 indicate that they have decided to hang on to East Germany at all costs. Probably they realize that as a consequence West Germany is likely to be rearmed and be brought into the Western Alliance. While they probably do appreciate the seesaw relationship between East and West Germany, that is, if they hold East Germany, West Germany will go to the Allies, the Communist Party will probably stage a big propaganda campaign in France against ratification of the EDC. The Soviets will probably not come to Lugano on October 15th,[5] because if they hold on to East Germany the unification of Germany is not possible. If they should agree to come to Lugano, it would probably mean that they had reexamined their German policy following the Adenauer victory.

Berlin will probably be subject to increasing pressures from the Soviets. It is a potentially volatile area and may become more so, since military action might start there at almost any time, and particularly if there should be another event like June 17.

With respect to the satellites, the Soviets seem to be apprehensive lest a chain reaction start in one, such as East Germany, and run into the others. One possible explanation for relaxation of industrial development programs in the satellites may be a reluctance of the new Soviet regime to subject them to the same violent

[5]For documentation concerning the proposed Lugano meeting, subsequently held at Berlin, Jan. 25–Feb. 18, 1954, see vol. VII, Part 1, pp. 601 ff.

strains that rapid industrialization caused in the Soviet Union. Thus they may be undoing the Stalinist program for the satellites which Stalin had forced through in the USSR by his ruthless methods, and in this way they may hope to avoid jeopardizing their own position in the satellites by not risking the violent consequences of rapid industrialization.

In connection with Soviet policy in general, it seems that they do not subordinate policy to propaganda objectives; that is, they act primarily in response to their interpretation of what would advance the interests of the Soviet State. They also react pragmatically to Western actions, but it is important to note that propaganda or psychological warfare is used to support their policy, rather than determining it.

It seems that events behind the Iron Curtain are definitely running in our favor. We should stand firm and go forward with our present policies. It is preferable not to interfere behind the Iron Curtain in such a way that the Communists would have an opportunity to deflect on us the consequences of their own crimes and errors. Nevertheless, we should be ready to take advantage of any opportunities that events might provide. We should be careful not to delude ourselves with a false impression of the Soviets' wisdom, foresight and negotiating ability. We tend now to put too much credence in such a legend. Actually, they are beset by difficulties and confronted by many serious dilemmas. Far from having a master plan for Europe, it seems likely that they are confused as to what policy to follow, as for example in the cases of East Germany and the satellites. The rigidities of their positions are such that we have nothing to fear from sitting down to negotiate with them. In fact, we are now in such a strong position that we should seek out occasions to confer with them when it would serve our purposes. The chances are that the outcome would be clearly in our favor.

SESSION OF SEPTEMBER 23RD—AFTERNOON

General Discussion: Bulgaria, Albania, Psychological Warfare

Mr. Merchant opened the discussion by asking for views regarding the desirability of reopening the legation at Sofia. There was a difference of opinion as to the advisability, but it was generally agreed that careful consideration should be given to the timing of such a move so that it would not appear to have any unwarranted significance when and if it ever came about. Several of the conferees thought that it would be advantageous to assign one Chief of Mission to both Sofia and another post at the same time.

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Several points of interest were made in connection with psychological warfare. Mr. Bohlen said that the withdrawal of the Red Army from the satellites is a pre-condition of liberation. Thus the touchstone in psychological warfare should be whether a given project would lead the Kremlin to decide to pull the Red Army back towards the Soviet Union. Speaking specifically of balloon operations, he said that one of the dangers was that the Soviet military would think of them not in terms of carrying food or leaflets, but of possible conveyors of bombs or other weapons and thus that they might provoke an unexpected military reaction from the Soviets.

Mr. Bohlen said that one of the most effective psychological devices at our disposal at the present time is the freedom and prosperity of West Berlin and that we should do everything possible to acquaint the East Berliners with conditions of the Western Sector.

SESSION OF SEPTEMBER 24TH—MORNING

Psychological Warfare

From the general discussion it was clear that the conferees thought US policy toward the individual satellite countries should be more clearly defined. Without such a broad outline of policy, it was difficult to develop or recommend specific courses of action. It was agreed that the discussions had shown that conditions in the individual satellite countries vary considerably and thus that we should consider each country individually rather than lumping them together more or less indiscriminately.

Mr. Ravndal suggested it would be helpful, for example, to know whether we were favorably disposed toward the new look behind the Iron Curtain, whether we continued to vilify the satellite governments notwithstanding, or whether we were prepared to react in a favorable way to measures taken by a given satellite government to relax tensions.

Mr. Bohlen thought that the touchstone should be the question of subservience of a given satellite country to the Soviet Union. We should recognize a distinction between total control of a given satellite by the USSR and the more or less legitimate interest of the Soviet Union in having a non-hostile regime in a bordering country. Finland fitted roughly into the latter category, as a country which had an acceptable relationship both to the Soviet Union and to the free world. It would be unwise and unrealistic to theorize that a satellite must oppose the USSR before we could improve relations. Possibly it would be to our advantage to be resilient in dealing with the satellites and to respond to possible opportunities to place an entering wedge between a satellite and the USSR.

Czechoslovakia, which is not occupied by the Red Army, is a case in point, where we might consider conducting psychological warfare by offering a serious foreign trade opportunity.

East-West Trade

Mr. Merchant referred briefly to the new policy on East-West Trade (NSC 152/2 [6]) with which the Missions were already familiar.

Mr. Bohlen said that in his opinion there should be just one list of articles to be completely embargoed. Information could then be exchanged with respect to other items which might be included in the embargo list or which might be deleted from it. The secondary quantitative list of articles which are not considered of sufficient strategic value to be totally embargoed is the one that causes the friction between the Allies. Furthermore it is very difficult to administer. It was generally agreed that the new policy on East-West trade is sound.

[6]For text of NSC 152/2, "Economic Defense," July 31, 1953, see vol. I, Part 2, p. 1009.

No. 45

611.00/10-2453

Memorandum by the Special Assistant to the President (Jackson) to the Staff Secretary in the White House Office (Minnich)

TOP SECRET WASHINGTON, October 12, 1953.

The Ambassador's papers[1] are returned herewith with a couple of side notes and underscorings.

These are interesting papers and it is encouraging and refreshing that the Ambassadors should have addressed themselves to the problem of psychological warfare, which used to be just an ugly word in striped pants circles. However, I feel that they have gone overboard in certain places. For instance, their statement that America must never conduct any psychological warfare operations except with the approval and support of our allies. Sure, we must coordinate, and get support, and reassure, and play ball, and be just as sweet and cooperative and reasonable as we can be. But every now and then we must feel free to do something in the American interest, even though it is not one hundred per cent acceptable in London, or Paris, or Rome, or wherever.

[1]Presumably a reference to Document 43, and to the Principal Conclusions of the Vienna Chiefs of Mission meeting (see footnote 1, *supra*).

I would like to strike a note of warning right now on something that may not develop for ten or twenty years. If and when the possibility of liberation does loom for Eastern Europe, we will find that our interests and the British interests in that area, and possibly the German interests, will be diametrically opposed. We must be prepared to have an American position and to follow it through with great firmness. If some variation of the federation concept seems to be the only way to (a) readjust frontiers; (b) create a viable economic industrial and agricultural unit; (c) present a united manpower group of such size to act as a deterrent to some new aggressor, we can be almost sure that Great Britain will be against it because of their old balance of power tradition. If we want peace in Europe, we'd better try it our way for a change. None of the other ways seem to have worked too well.

Another place where the Ambassadors go overboard is their extraordinary statement that, "The East Berlin riots of June 17 and American psychological warfare operations related thereto caused serious difficulties with our principal allies." In the first place, this sounds as though we had fomented the riots, whereas we know that not even the German secret intelligence suspected that this was in the wind. In the second place, just what did the Ambassadors expect American psychological warfare to do? Tell the rioters to go home and be nice to the Commies?

The above constitutes my five cents' worth.

C.D.J.

No. 46

848.49/10-1353: Telegram

The Secretary of State to the Embassy in Poland[1]

SECRET WASHINGTON, October 13, 1953—8:21 p. m.

55. US Government has decided propose Christmas season gift package operation Poland in which CARE, as private sponsoring organization, would undertake mail gift parcels Polish recipients designated by individual US residents who have friends and relatives Poland.[2] You should accordingly call soonest on Foreign Min-

[1]Drafted by McKisson and Vedeler and cleared by EE, P, and FOA.

[2]According to the final report on this so-called "Christmas East" project, Apr. 26, 1954, the decision to initiate a food program for Eastern Europe was taken by the PSB on Sept. 2 on the basis of new intelligence reports arriving as a result of the instructions issued to the Department of State and CIA when the proposal had earlier been rejected (see Document 40). Although the minutes of the PSB meeting of

Continued

ister or highest ranking FonOff official immediately available to present proposal informally and leave *aide-mémoire* stating purpose and outlining essential features operation.

Unless you see objection to any specific suggestions below *aide-mémoire* (submit copy promptly to Department) should incorporate following points:

Begin. 1. US Government has been requested by CARE, a private nonprofit US organization with well-known reputable record in field international welfare activities, bring following matter attention Polish Government and request its favorable consideration;

2. In connection desire number of private Americans to remember their friends and relatives in Poland during Christmas season, CARE is prepared sponsor arrangements by which Christmas season gift packages may be sent Poland. Shipments would cover period December 15 through January 15 only.

3. Under envisaged arrangements CARE would undertake at request and at nominal charge any US resident to prepare suitable foods and mail gift package to any addressee Poland whom US resident may designate.

4. Packages would be standardized and uniformly designated as Christmas gift parcels. They would contain only food articles as follows: packaged milk, prunes, canned beef and gravy, rice, honey or preserves, sugar, vegetable shortening and raisins. All parcels would have approximately same contents with estimated weight 14 pounds and retail value less than $10.00. Parcels would contain no written or printed messages. (FYI Food item units would bear processor's label and MSA "clasped hand symbol".)

5. It is anticipated that execution of these arrangements would bring about temporary increase in number of gift parcels entering Poland from US and there would be a larger volume of gift parcels than usual for customs officers to handle during limited period of proposed shipments.

6. Cooperation of Polish Government in matter is invited to end spirit exemplified Christmas season and good will felt by people US toward people Poland may be given practical expression. To this end Polish Government is requested temporarily suspend or waive application any customs regulations which, though normally applicable importation gift parcels Poland, might make it difficult for these special gift packages to reach intended recipients during holiday season. Specifically, Polish Government is requested to waive for limited period of proposed shipments its usual customs han-

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Sept. 2 do not substantiate the claim, the final report also stated that a working group was instructed at that time to study the possibility of using balloons to deliver the food. (OCB files, lot 62 D 430, "Christmas East") According to the OCB minutes of Sept. 23, a Department of State proposal to offer the food first through CARE was accepted, but the purchase of balloons was nevertheless authorized in order to implement the original plan if the Eastern European governments rejected the CARE offer. (OCB files, lot 62 D 430, "Minutes I") The Department of State informed the U.S. Missions in Eastern Europe of this proposal in Telegrams 56 to Warsaw, 83 to Prague, 44 to Bucharest, and 68 to Budapest, Oct. 13. (848.49/10–1353) For the replies from Prague and Bucharest, see *infra* and Document 48.

dling changes on gift parcels and any excise fees applicable to contents of gift packages.

7. In view limited time remaining before proposed date for starting shipments Embassy would appreciate urgent response from Polish Government. The sponsoring organization CARE, as well as both people and Government US, would welcome cooperation Polish Government in facilitating the carrying out of proposed arrangements. *End.*

For your information only the program schedule requires that favorable or unfavorable reply be elicited Polish Government within ten days of approach. You should therefore endeavor obtain definite reply FonOff within that period, failing which Polish attitude must be assumed negative.

If questions raised by FonOff which are not covered foregoing outline and you cannot answer appropriately, report Department urgently and instructions re reply will be telegraphed immediately.

Corresponding approaches for similar operations Czechoslovakia, Hungary, Rumania being made simultaneously Prague, Budapest, Bucharest.[3]

DULLES

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[3]Nearly identical instructions were sent to Prague in telegram 82, to Budapest in telegram 67, and to Bucharest in telegram 43. (849.49/10–1353, 864.49/9–1953, and 866.49/9–2453, respectively) As instructed, Flack delivered the *aide-mémoire* to the Polish Government on Oct. 15 and transmitted a copy of it in despatch 126 from Warsaw, Oct. 15. (848.49/10–1553) In reply, the Polish Government rejected the offer in an *aide-mémoire* of Oct. 28, the text of which was transmitted from Warsaw in despatch 158, Oct. 29. (848.49/10–2953)

Wadsworth delivered the *aide-mémoire* to the Czechoslovak Government on Oct. 16 and transmitted a copy of it in despatch 83 from Prague, Oct. 19. (849.49/10–1953) The Czechoslovak Government indicated at the time of delivery that the offer would be rejected.

Ravndal delivered the *aide-mémoire* to the Hungarian Government on Oct. 15 and transmitted a copy of it in despatch 203 from Budapest, Oct. 16. (864.49/10–1653) In reply, the Hungarian Government rejected the offer in an *aide-mémoire* of Nov. 4, the text of which was transmitted from Budapest in despatch 237, Nov. 5. (864.49/11–553)

Shantz delivered the *aide-mémoire* to the Rumanian Government on Oct. 16 and transmitted a copy of it in despatch 72 from Bucharest, Oct. 27. (866.49/10–2753) No Rumanian reply was received.

No. 47

848.49/10–1753: Telegram

The Ambassador in Czechoslovakia (Wadsworth) to the Department of State

TOP SECRET PRAGUE,[1] October 17, 1953—3 p. m.

148. Re Deptel 83, October 13.[2]

While prices are exorbitant, variety limited and distribution uneven (resulting in temporary shortages individual items), Czechoslovakia is far from being on a bare subsistence basis so far as food is concerned (Embtel 111, September 24[3]). While population would appreciate anything which would interrupt even temporarily constant struggle with personal budget, there are no indications any consequential malnutrition.

Suggested balloon barrage could be expected get food into hands only tiny segment Czechoslovak people and consequently can not constitute serious effort augment diet population as whole. Proposal thus becomes obvious propaganda scheme of questionable value, especially in absence destitution. If propaganda is real objective suggest that forthright offer foodstuffs would be equally effective.

In our opinion proposed balloon operation not only has no advantages but has serious disadvantages. In essence proposal is that if Czechoslovakia will not waive its laws and regulations to permit importation CARE packages US Government will then proceed in effect, to sanction smuggling of such packages into this country. The introduction of such packages by air contrary to Czechoslovak law is just as illegal as if they were brought across the border clandestinely. At least such is the US concept of its own customs laws. If proposal carried out, US Government could not take position it is not involved because CARE is private organization, as it did in recent RFE balloon episode (Deptel 22, July 29[4]) since the request of this private group has now been sponsored officially in *aide-mémoire* delivered yesterday (Embtel 147, October 17[5]). MSA label also would belie protestations official innocence.

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[1]The change in designation from "Praha" to "Prague" in Department of State telegrams took place on Oct. 1.

[2]See footnote 2, *supra*.

[3]Telegram 111 reported that supplies of food, clothing, and other essentials were short, but the shortages were not critical. (849.49/9–2453)

[4]Telegram 22 transmitted the U.S. reply to a Czechoslovak protest of July 20 concerning a balloon operation launched from West German soil. It rejected the protest on the grounds that the operation was carried out by the Crusade for Freedom, a private U.S. organization. (511.49/7–2153)

[5]Not printed. (849.49/10–1753)

Suggest also effects implementation proposed balloon operation be weighed against US objectives here. As far as population concerned, majority of people this country are opposed to present regime and to Soviet Union and are basically friendly to West.

They are not starving and in any event only a few would benefit from the food-drop. Furthermore, individuals found in possession dropped package food would *ipso facto* be guilty of possessing goods illegally introduced into country, i.e. contraband. Thus those sufficiently daring overcome natural reluctance take parcels, if caught, would be subjected severe punishment.

More important at this juncture we are apprehensive effect implementation this scheme might have on solution of outstanding issues between the US and Czechoslovakia, e.g. Hvasta[6] and nationalization claims. Department will recall that Prime Minister Siroky alluded to last balloon barrage as a "hostile act" by US (Embtel 60, August 15[7]).

WADSWORTH

[6]Jan Hvasta was an American citizen who had been convicted of espionage in Czechoslovakia in 1948 and imprisoned since then.

[7]Document 42.

No. 48

860.49/10-1753: Telegram

The Minister in Rumania (Shantz) to the Department of State

TOP SECRET BUCHAREST, October 17, 1953—3 p. m.

88. Believe proposed despatch balloons with food parcels (Deptel 44, October 15[1]) would cause Rumanian Government to take drastic action. It would probably, either publicly or through party channels, issue orders that all packages be turned over to authorities at once under open or implied threats of severe punishment through courts by cancellation ration cards, etc. It would probably also wage big propaganda campaign accusing us of vile motives, maintaining food was sent while millions of unemployed workers and destitute farmers in US are practically starving; or that Rumanians are better off than starving peoples of India, Pakistan or elsewhere and announcing collected packages will be sent e.g., to North Korea; or might even attempt to spread word food was spoiled or poisoned.

[1]See footnote 2, Document 46.

Main advantages are that it would be dramatic display of American interest in welfare Rumanian people and would increase their discontent with their government because of measures latter will take to prevent their use of food.

However, I believe advantages are over-weighed by disadvantages. We assume that high proportion of drops would be useless due to landing in widespread inaccessible areas such as mountains, forests, and marshes; thus lending some validity to their claim we were wasting food for political purposes. People observed collecting packages will probably turn them in, rather than risk imprisonment.

Possible reaction to this project of other peoples, such as Yugoslavs should be considered. Latter's nationalism and contempt for Rumanians might cause them to take sour view pouring free food into country which was enemy when they were allies.

Project may worsen our unfriendly relations with Rumanian Government and lower usefulness this Legation, if such is possible.

Hope project will be carefully weighed in light psychological warfare paper from Luxembourg Chiefs of Mission meeting,[2] in which I concur.

I made Christmas food package proposal to Rumanian Foreign Office October 16. Have no hope of favorable reply but am confident of coming wide PW success in this case. Have doubts of similar success in balloon project.

SHANTZ

[2]Document 43.

No. 49

611.00/10-2453

Memorandum by the President to the Secretary of State

TOP SECRET WASHINGTON, October 24, 1953.

I think that the men who got together to submit the attached report[1] should be complimented on taking hold of this thorny subject and giving us their opinions on it. I would like to see them encouraged to continue their study of the matter; in this way we shall certainly get more valid reports than we would otherwise.

At any point where we think they have gone a bit astray, we should give them the benefit of our own thinking.

[1]Although no report was found attached to the source text, this is presumably a reference to Document 43.

I do believe that they treat the term "psychological warfare" in too narrow a fashion. After all, psychological warfare can be anything from the singing of a beautiful hymn up to the most extraordinary kind of physical sabotage.

I agree with their report that during this period our work should be carefully thought out and should be in concert with the ideas of our allies. On the other hand, I agree with C. D. Jackson that we must have a very definite American objective and know exactly what it is. There may come a time when it will be very important for us that we make no mistake on this point.

Finally, I must remark that it seems strange to me that here at home and abroad prominent officials of our government have completely diverse opinions as to what happened in East Berlin and East Germany. It would seem that we could at least have the same understanding of the facts. The attached document[2] and C. D. Jackson's memorandum show that this is not so.[3]

D.E.

[2]Reference is to a memorandum by Minnich to President Eisenhower, Oct. 14, which briefly summarized Document 45.

[3]In a memorandum of Nov. 6 to President Eisenhower, W. B. Smith responded to the President's final point by remarking that the parenthetical passage in Part II(C) of the psychological warfare memorandum should have made clear that the U.S. psychological efforts mentioned therein came after the outbreak of the riots, and not before. (762B.00/11-653)

No. 50

748.00(W)/11-653: Telegram

The Ambassador in Poland (Flack) to the Department of State[1]

RESTRICTED WARSAW, November 6, 1953—11 a. m.

145. Joint Weeka No. 45 (Section II). Economic.

1. Ninth Plenum United Workers Party, October 29 and 30, points to launching Poland's "new economic course" in 1954–1955, following trend other satellite states. Main theme Beirut's report "a more rapid rise in living standards of working masses", with special attention to increasing agricultural production. Press says heavy industry has reached levels where larger percentages investment outlays may now be allocated agriculture, consumer goods industries and housing, without endangering fulfillment present industrial goals under six year plan. During period 1950–1953 indus-

[1]Repeated for information to Vienna, Athens, Belgrade, Bern, Paris, Rome, Tel Aviv, Trieste, Istanbul, and Frankfurt.

trial production increased by 115 percent and exceeded plan, while agricultural production increased only 9 percent and fulfilled only 82 percent plan (regime's first admission extent of failure). Excessive lag in agricultural production blamed for hampering development national economy and as result living standards did not improve to extent planned. While pushing ahead with collectivization, more aid is to be given individual farmers in farm machinery, implements, fertilizers, supply consumer goods, increased credit, greater prospects for profit, etc., and compulsory delivery requirements to be eased for smallest farms. State agricultural agencies said to require radical improvement. Agricultural production to be increased by 10 percent in 1954–1955, including grain by 600,000 tons, potatoes by 5–7 percent, cattle by 7–10 percent, and pigs by 10–15 percent. Income of peasants and real wages of workers to increase 15 percent during same period.

Regime apparently feels time has come to ease somewhat conditions of hard pressed population and attempt curry favor especially with peasants. Industrial production success will apparently now permit greater attention to interests of consumer without jeopardizing basic industrial goals.

[Here follow sections speculating on the revaluation of the Polish zloty and an announcement of a new flight scheduled by the Polish airline.]

FLACK

No. 51

S/S–NSC files, lot 63 D 351, NSC 174 Series

Report to the National Security Council by the National Security Council Planning Board[1]

TOP SECRET [WASHINGTON, December 11, 1953.]
NSC 174

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[1]NSC 174, in addition to the Statement of Policy and the Staff Study printed here, consisted of a cover sheet, a memorandum of Dec. 11 by Lay to the NSC, a table of contents, a map of Eastern Europe, Annex A, entitled "Estimated Satellite Ground Forces, April 1953," and Annex B, entitled "Brief Survey of the Situation in the European Satellites." The memorandum by Lay noted that the draft Statement of Policy was prepared by the NSC Planning Board "in the light of NSC 162/2" (for text, see vol. II, Part 1, p. 577) for consideration by the NSC on Dec. 21. It also noted that the Statement of Policy, if adopted, was intended to supersede NSC 58/2, "United States Policy Toward the Soviet Satellite States in Eastern Europe," Dec. 8, 1949 (*Foreign Relations*, 1949, vol. v, p. 42), and NSC 158, "Interim United States Objectives and Actions To Exploit the Unrest in the Satellite States," June 29, 1953 (S/S–NSC files, lot 63 D 351, NSC 158 Series). The OCB was designated as the imple-

Continued

Statement of Policy Proposed by the National Security Council on United States Policy Toward the Soviet Satellites in Eastern Europe

(Except as otherwise indicated, parenthetical references are to paragraphs in the Staff Study)

GENERAL CONSIDERATIONS

1. Soviet control over the Soviet satellites in Eastern Europe (Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania and East Germany[2]) has contributed importantly to the power disequilibrium in Europe and to the threat to the security of the United States. Despite economic dislocation and administrative difficulties, the Kremlin has made considerable progress in exploiting the industrial capacity of the satellites and expanding their military capabilities for use as a coordinated whole with those of the Soviet Union. (2–4, 37)

2. Barriers to the consolidation of the Soviet Union are:

a. The anti-communist attitude of the great majority of the population in each satellite. This anti-communism is intensified particularly by loss of personal freedom and a reduced standard of living, as well as by outraged religious and national feelings, but its undiminished survival over the long run is jeopardized by communist

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menting agency for NSC 174, once approved by the President. Annex B was divided into short essays describing political, economic, and social conditions in Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, and the German Democratic Republic. An extract from the memorandum of discussion at the NSC meeting of Dec. 23, at which time NSC 174 was discussed and approved by the President, with one minor amendment, is printed *infra*.

The origins of NSC 174 date back to the third progress report on NSC 58/2, May 22, 1951 (*Foreign Relations*, 1951, vol. IV, Part 2, p. 1257), which questioned whether the continued encouragement of Titoism in Eastern Europe was feasible and noted that the Department of State was reviewing the policy. The review process remained dormant until Bohlen requested Barbour in a memorandum of May 15, 1952, to undertake a revision. (PPS files, lot 64 D 563, "Eastern Europe") With little progress having been made throughout 1952, however, the revision, which appears to have been one of the first projects of the Eisenhower administration, began in earnest with an instruction by Matthews, Jan. 30, 1953 (not found), to EE to draft a new "satellite paper." Drafts dated Feb. 4, May 18, July 28, Aug. 7, Aug. 17, and Nov. 25 have been identified, but only the May 18 draft, the first to be submitted to the NSC Planning Board, has been located in Department of State files. (S/S–NSC files, lot 61 D 167, NSC 174 Series)

[2]This paper is not concerned with Berlin which is treated in NSC 132/1 on maintaining the U.S. position in West Berlin. It is recognized that Albania and East Germany possess specific features differentiating each of them in important ways from the other satellites. The inclusion of these two has, however, made possible the treatment of the satellite area as a whole. The situation of each satellite is sketched in Annex B of the staff study. East Germany is also considered in NSC 160/1. [Footnote in the source text. For text of NSC 160/1 "United States Position With Respect to Germany," Aug. 17, 1953, see vol. VII, Part 1, p. 510. For text of NSC 132/1, June 12, 1952, see *ibid.*, Part 2, p. 1261.

control over every aspect of the lives of the people, particularly the young.

b. The continued refusal of the West to accept the permanence of the imposed satellite regimes as compatible with the freedom and self-determination of nations. (5–6)

3. Despite the widespread popular opposition to communism in each of the satellites, known underground groups capable of armed resistance have survived only as scattered remnants in a few areas, and are now generally inactive. The recent uprisings in East Germany and the unrest in other European satellites evidence: (a) the failure of the Soviets fully to subjugate these peoples or to destroy their desire for freedom; (b) the dependence of these satellite governments on nearby Soviet armed forces; and (c) the relative unreliability of satellite armed forces (especially if popular resistance in the satellites should increase). These events necessarily have placed internal and psychological strains upon the Soviet leadership. Nevertheless, the ability of the USSR to exercise effective control over, and to exploit the resources of, the European satellites has not been appreciably reduced, and is not likely to be, so long as the USSR maintains adequate military forces in the area. (3)

4. The death of Stalin created for Soviet dominion over the satellites new problems which may lend themselves to exploitation. Although there is as yet no evidence that Soviet capability to dominate the satellites has been impaired since the death of Stalin, the possibility nevertheless exists that a greater concentration of effort may be required to maintain control and that the new Soviet leaders may have to moderate the pace and scope of their programs in the satellites. Such moderation is indicated by the new economic measures, recently announced by the satellite regimes. (7)

5. Although nationalist opposition to Soviet domination is a disruptive force within the Soviet orbit, and even within the communist movement itself, it does not appear likely that a non-Soviet regime on the Tito model will emerge in many of the satellites under existing circumstances. The combination of basic factors which made possible the successful Yugoslav defection from Moscow is lacking in many of the satellites. In addition the Kremlin has taken drastic measures since the Yugoslav defection to guard against further defections. (6, 8–17)

6. Tito's establishment of an independent communist regime, nevertheless, has brought valuable assets to the free world in the struggle against aggressive Soviet power. It provides a standing example of successful defiance of the Kremlin and is proof that there is a practical alternative for nationalist communist leaders to submission to Soviet control. There are further advantages flowing from Yugoslavia's political and military cooperation with the West,

its association with Greece and Turkey in a Balkan entente, and its role as a vigorous propaganda weapon against Soviet communism. (18–21)

7. East Germany poses special and more difficult problems of control for the USSR than do the other satellites. The fact that the main body of the German nation in the Federal Republic has made continued advances in freedom and economic well-being, and the fact that West Berlin provides a means of contact with the free world, serve to keep alive the hope for an eventual escape from Soviet domination. By utilizing these special advantages the West can probably continue to exploit strong popular anti-communism, maintain East Germany as a focal point and example of disaffection for the rest of the Soviet satellites, make difficult full utilization of East Germany's economic resources, and keep alive Soviet doubts as to the reliability of the East German population in time of war. At the same time, U.S. policy toward East Germany must take into account the latter's relationship to the problem of German unification, the integration of the Federal Republic with Western Europe, and the importance of, and dangers inherent in, preserving our access to and position in Berlin. (24, 41, Annex B)

8. The detachment of any major European satellite from the Soviet bloc does not now appear feasible except by Soviet acquiescence or by war. Such a detachment would not decisively affect the Soviet military capability either in delivery of weapons of mass destruction or in conventional forces, but would be a considerable blow to Soviet prestige and would impair in some degree Soviet conventional military capabilities in Europe. (NSC 162/1, para. 5–b)

POLICY CONCLUSIONS

9. It is in the national security interests of the United States to pursue a policy of determined resistance to dominant Soviet influence over the satellites in Eastern Europe and to seek the eventual elimination of that influence. Accordingly, feasible political, economic, propaganda and covert measures are required to create and exploit troublesome problems for the USSR, complicate control in the satellites, and retard the growth of the military and economic potential of the Soviet bloc. Decisions on such measures to impose pressures on the Soviet bloc should take into account the desirability of creating conditions which will induce the Soviet leadership to be more receptive to acceptable negotiated settlements. Accordingly, this policy should be carried out by flexible courses of action in the light of current estimates of the Soviet Government's reactions and of the situation in the satellite states concerned, after calculation of the advantages and disadvantages to the general position of

the United States in relation to the USSR and to the free world. (37–42)

BASIC OBJECTIVES

10. *Long-range:* The eventual fulfillment of the rights of the peoples in the Soviet satellites to enjoy governments of their own choosing, free of Soviet domination and participating as peaceful members in the free world community. (2, 37)

11. *Current:*

a. To disrupt the Soviet-satellite relationship, minimize satellite contributions to Soviet power, and deter aggressive world policies on the part of the USSR by diverting Soviet attention and energies to problems and difficulties within the Soviet bloc. (35, 39)

b. To undermine the satellite regimes and promote conditions favorable to the eventual liberation of the satellite peoples. (35, 36, 38, 39)

c. To conserve and strengthen the assets within the satellites, and among their nationals outside, which may contribute to U.S. interests in peace or war, and to the ultimate freedom of the satellites. (29–32, 39)

d. To lay the groundwork, as feasible with reasonable risk, for resistance to the Soviets in the event of war. (29–30, 35)

COURSES OF ACTION

12. Use appropriate means short of military force to oppose, and to contribute to the eventual elimination of, Soviet domination over the satellites; including, when appropriate, concert with NATO or other friendly powers, resort to UN procedures, and, if possible, negotiation with the USSR. (23–32, 36)

13. Encourage and assist the satellite peoples in resistance to their Soviet-dominated regimes, maintaining their hopes of eventual freedom from Soviet domination, while avoiding:

a. Incitement to premature revolt.

b. Commitments on the nature and timing of any U.S. action to bring about liberation.

c. Incitement to action when the probable reprisals or other results would yield a net loss in terms of U.S. objectives.[3] (26, 29, 30, 40)

. . . . . .

20. Encourage democratic, anti-communist elements in the satellites; but at the same time be prepared to exploit any . . . tendencies, and to assist "national communist" move-

[3]For example, account should be taken of the undesirability of provoking the liquidation of important resistance movements or of creating false hopes of U.S. intervention. [Footnote in the source text.]

ments under favorable conditions, making clear, as appropriate, that opportunities for survival exist outside the Soviet bloc. (8–16, 41)

21. Exploit the developing organizations of Western unity (NATO, OEEC, CSC, etc.) as a force of attraction for the satellites. (22)

. . . . . .

23. Support or make use of refugees or exile organizations which can contribute to the attainment of U.S. objectives, but do not recognize governments-in-exile. (32)

. . . . . .

25. Maintain flexibility in U.S. economic policies toward the Soviet bloc, and toward individual satellites, in order to gain maximum advantage with the limited economic weapons at hand (both restrictions and incentives). (27, 28)

26. Continue U.S. diplomatic missions in Poland, Czechoslovakia, Hungary, and Rumania as long as may be in the U.S. interest, and keep under review the possibility of resuming diplomatic relations with Bulgaria.[4] (25)

27. Exploit the existence, and encourage the development, of the Yugoslav-Greek-Turkish entente as a means of weakening Soviet power in the Balkan satellites and as an example of free association of independent Balkan nations serving as a potential alternative to Soviet rule. (22)

28. Keep the situation with respect to Albania under continuing surveillance with a view to the possibility of detachment of that country from the Soviet bloc at such time as its detachment might be judged to serve the over-all U.S. interest. (15, 31, Annex B)

29. Exploit, to the fullest extent compatible with the policies regarding Germany as a whole and Berlin, the special opportunities offered by West Berlin and the facilities of the Federal Republic to undermine Soviet power in East Germany. Place the Soviets in East Germany on the defensive by such measures as may be taken to keep alive the hope of German reunification. (24, 41)

30. Emphasize (a) the right of the peoples of Eastern Europe to independent governments of their own choosing and (b) the violation of international agreements by the Soviet and satellite Governments, whereby they have been deprived of that right, particu-

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[4]In accordance with the NSC decision of Dec. 23 (see the memorandum of discussion, *infra*), the words "and Albania" were added at the end of this paragraph in the final version.

larly the Yalta Declaration on Liberated Europe and the Treaties of Peace with Bulgaria, Hungary and Rumania. (2, 37)

[Attachment]

Staff Study by the Planning Board of the National Security Council

United States Policy Toward the Soviet Satellites in Eastern Europe

PROBLEM

1. To determine what policies with respect to the Soviet satellites of Eastern Europe (Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, and East Germany[5] will best serve the national interests of the United States, and in particular will contribute to the resistance to and eventual elimination of dominant Soviet influence over those satellites. It is necessary to reexamine and revise, where necessary and desirable in the light of intervening developments, the conclusions of NSC 58/2.

BACKGROUND

Importance of the Satellites

2. The satellites are of importance in the current balance of power in Europe because they augment the political, military and economic power of the Soviet Union and extend Soviet power into the heart of Europe. The permanent consolidation of Soviet control in this area would represent a serious threat to the security of the United States and Western Europe. It is likewise our traditional policy to recognize and support the right of such peoples to independence and to governments of their own choosing. The elimination of dominant Soviet influence over the satellites is, therefore, in the fundamental interest of the United States.

Soviet Domination of the Satellites

3. Soviet domination of the satellites remains a basic fact; there is no evidence as yet to indicate that Soviet capability to dominate the satellites has been significantly affected by anything that has

[5]This paper is not concerned with Berlin which is treated in NSC 132/1 on maintaining the U.S. position in West Berlin. It is recognized that Albania and East Germany possess specific features by which they are differentiated in important ways from the other satellites. The inclusion of these two has, however, made possible the treatment of the satellite area as a whole and even the other satellites have in a lesser degree certain special aspects. The situation of each satellite is sketched in Annex B. [Footnote in the source text; Annex B is not printed, but see footnote 1, above.]

happened since the death of Stalin. However, Soviet suppression of the riots in East Germany suggests that the satellite regimes themselves may be unable, without Soviet armed forces available, to maintain the population in subjection to the will of the Kremlin.

4. The Kremlin has pushed forward with considerable success its plans to expand the industrial and military capabilities of the satellites and to coordinate their Sovietized political system, military establishments and economies with those of the USSR in a working totality. Although the Kremlin permits and encourages programs of cultural, economic and technical collaboration among the satellites, it appears determined to bind the satellites individually to the USSR rather than to unify them. Whether and when the Soviet leaders will take the formal step of incorporating any or all of the satellites into the USSR itself is unpredictable.

Opposition to Soviet Domination

5. The great majority of the population in each satellite continues to be opposed to the communist regime and resents the lack of personal freedom and hard living conditions for which the regime is responsible. The aggrieved religious feelings resulting from the communist attack on religion have also served to intensify this widespread anti-communism. The anti-communist majorities are not in a position to carry on active resistance which would represent a serious challenge to Soviet power in any of these satellites with the possible exception of Albania, as is noted hereafter. Nevertheless, by passive resistance they can impede the process of Sovietization and afford a main element on which must be based eventual elimination of dominant Soviet influence. It is recognized at the same time that, if the process of exclusive communist indoctrination and education proceeds without interruption for an indeterminate period, it is uncertain how strong this anti-communist sentiment may remain.

6. In addition to anti-communism per se, nationalism is a significant factor of opposition to Soviet control in all the satellites. These peoples will not reconcile themselves in a few years to the loss of national independence, a disregard of national traditions and the enforced glorification of the USSR. The nationalist sentiment focuses on the memory of better times in the past, hopes for the future, and the resentment felt at the injuries and insults experienced under the present regime. In many respects it is the strongest leverage available for strengthening the morale of the satellite populations, sustaining their spirit of resistance to Soviet imperialism, and encouraging their defiance of servile communist regimes. Nationalism is, however, a double-edged weapon, raising a number of operational problems, as we have discovered in our

propaganda work and dealings with the refugees. Besides arousing anti-Soviet feeling, nationalist sentiment also creates divisions among these peoples themselves. Magyars against Slavs and Rumanians, Slovaks against Czechs, Poles against Germans and Germans against the Slavs. A problem which will become increasingly serious as nationalist sentiment ferments is that of the Polish-occupied areas of Germany east of the Oder–Neisse line.

7. The death of Stalin created for Soviet dominion over the satellites new problems which may lend themselves to exploitation. Although there is as yet no evidence that Soviet capability to dominate the satellites has been impaired since the death of Stalin, the possibility nevertheless exists that a greater concentration of effort may be required to maintain control and that the new Soviet leaders may have to moderate the pace and scope of their programs in the satellites. Such moderation is indicated by the new economic measures, recently announced by the satellite regimes, which give priority to increasing the output of consumer goods in order to improve popular morale and to stimulate labor productivity. In promulgating the new policy, the satellite regimes have admitted that an economic dislocation has developed, mainly because of an overemphasis on the development of heavy industry and a neglect of agricultural development. The satellite regimes now seek a modification of industrial and agricultural programs to bring about a more normal balance between industry and agriculture and to raise the level of popular morale. The communists have rationalized that this corrective will provide a healthier foundation for future economic growth and for further Sovietization of the satellite countries.

Possibilities of "Titoism"

8. NSC 58/2 laid down a policy of fostering communist heresy among the satellites and encouraging the emergence of non-Stalinist regimes as temporary administrations even though communist in nature. However, as was noted in the third Progress Report on implementation of NSC 58/2, dated May 22, 1951, the Kremlin and its local agents have been successful in warding off any trend in the satellites comparable to that which led to the break between Moscow and Yugoslavia. In fact, in none of the satellites have there developed the capabilities such as rendered Tito's defection successful.

9. Of all the European satellite leaders, only Tito achieved controlling power. He created an impressive military force, as well as a political organization, responsive to his own leadership which maintained itself inside Yugoslavia during the war and which, following withdrawal of the Nazi forces, possessed requisite power to

impose its will upon the Yugoslav people without substantial assistance from the Red Army. All the other communist regimes, with the exception of Hoxha's government in Albania, were placed in power by the Red Army itself or by threat of force which the Red Army represented. These regimes, therefore, were from the outset dependent on Soviet military power for their very existence and have remained so. In East Germany, Poland, Hungary and Rumania, the physical presence of sizable Soviet forces bears daily witness to Soviet domination of these satellites. In Poland the Minister of Defense is a Soviet marshal, and Soviet officers occupy the higher posts throughout the Polish armed forces. In all the satellites there are large Soviet military missions which are supervising the reorganization of the satellite armed forces, and Soviet commanders, advisers, and technicians are located in key command and staff positions in the military forces and in the defense ministries.

10. Thus, the ultimate basis of Soviet control in the satellites is Soviet military domination of these countries. The Soviet forces stationed within the satellites and in the Soviet Zone of Austria in April 1953 consisted of 538,000 personnel from the Soviet Army (including military missions), 24,000 security troops, and 2,400 Soviet-manned aircraft.

11. Of all the satellite leaders of Eastern Europe, only Tito could claim to exercise effective control over the state security apparatus. His security forces were built up on the basis of personal loyalty demonstrated in the heat of battle, and Tito knew that he could trust the overwhelming majority of the higher echelons of his command. None of the current satellite leaders can count on this kind of allegiance from the key personnel of their security establishments. Soviet liaison personnel maintain close supervision over the leading satellite officials, and it is doubtful whether far-reaching orders issued by those leaders to any of their respective security organs would be executed without confirmation from Soviet controlled sources. In contrast, it was Tito's steadfast denial to Soviet liaison officials of uncontrolled access to his security organization which contributed extensively to the friction climaxed by the break between Tito and the Kremlin.

12. Poland, Czechoslovakia, Hungary, and Rumania have a common land frontier with the USSR. Bulgaria has a common sea frontier. These states are accordingly more exposed to Soviet military intervention and hence more readily susceptible to Soviet pressure and control than was Yugoslavia which shares no common frontier with the USSR. Furthermore, with Yugoslavia's long sea coast facing the West, greater possibilities to obtain material support from the Western powers in the event of a break with

Moscow were available to Tito than there would be to the other satellites, with the exception of Albania.

13. Since Tito's defection in 1948, the Soviets have taken stringent and thorough measures to guard against a similar development in other satellites. Leaders in whom any taint of Titoism was suspected have been either shorn of all power, imprisoned, or actually liquidated. If any leader through long tenure in office or for any other reason seemed to be gaining too much power, he has been ruthlessly eliminated. The customary security safeguards have been tightened and expanded. A series of friendship and mutual assistance pacts have been concluded among the various satellites (except Albania and East Germany) and with the USSR which in effect obligate the parties signatory to go to each other's aid in the event of action from without. The relationship of the USSR to the satellite regimes raises every probability that the Soviets would in effect intervene in the face of internal action threatening the overthrow of the Soviet-controlled regimes, except possibly in the case of Albania.

14. In the light of the foregoing considerations, the chances are negligible at the present time that any existing satellite communist regime would or could break away from Moscow under its own power, or, with the possible exception of Albania, that any anti-Soviet faction could seize or hold power in a satellite and bring about its detachment from the Soviet bloc.

15. Albania is to some extent an exception in that, unlike the other satellites, it does enjoy geographical isolation from the rest of the Soviet bloc and access to the West by sea. Although the other factors which rendered Tito's defection successful are generally not present, Soviet control in Albania is challenged by the inherent potential of the internal anti-communist majority whose resistance could be supported by the large Albanian population in the neighboring Kossovar region of Yugoslavia. The necessity of Western cooperation with Yugoslavia would of course be a complicating factor. Albanian refugees in the West might also be used although their disunity would seriously hamper any such action.

16. Nationalism may, nevertheless, continue to be a disruptive force within the communist movement open to exploitation by the United States. Not all communists in the satellites are able or willing to serve Moscow's interest without any regard for that of their own nation; the very problems of governing their respective territories and of meeting the goals which have been set seem to require at least a minimum of cooperation from the people and may lead certain local communists to oppose as best they can those Kremlin demands and policies which put too great a strain upon their own position. In any of the satellite communist parties there are likely

to be personal antagonisms and other differences which might be exploited from the outside.

17. Since the relation of Communist China to the USSR is believed to involve considerably less subordination than that of the European satellites, the diplomatic, trade and cultural connections between the satellites and Communist China represent a potentially troublesome factor in Soviet-satellite relations. While this factor is not easily susceptible to exploitation by the U.S., it should be closely watched for whatever opportunities it may offer.

Significance of Yugoslavia in Policy Toward the Satellites

18. Even though no other satellite has followed or seems capable (with the possible exception of Albania) of following the path of Tito's Yugoslavia under existing conditions, the example of Yugoslavia continues to be a significant factor in the satellite picture. Tito's success in maintaining Yugoslavia's independence constitutes a standing insult to Soviet prestige and a challenge to Soviet infallibility. His political and ideological counteroffensive has been a disturbing factor within the satellite communist parties.

19. . . . In the political field, a Friendship Pact between Greece, Turkey, and Yugoslavia has recently been concluded.

20. These developments point toward . . . the . . . marked enhancement of Yugoslav defensive strength against any aggression. Their significance in relation to the satellites lies in the extent to which it is demonstrated that a practical alternative to continued acquiescence in Soviet domination is being created.

21. The relationship which the United States has developed with Yugoslavia is of vital importance in this process of augmenting Yugoslavia's effectiveness in the struggle against Soviet domination. . . . Moreover, the mere fact of substantial United States economic and military assistance to Yugoslavia must have its effect on both communists and non-communists in the satellite countries. The exposition before the world by Yugoslavia of its experience with Soviet domination as a member of the Soviet bloc also provides excellent refutation of Soviet propaganda.

Significance of Western European International Organizations

22. While there has been considerable discussion among the exiles of federation in Eastern Europe following liberation, no concrete plans toward this end have been advanced. Neither have the Western powers attempted to offer any specific proposals for unity of the satellite peoples or their association with Western Europe after they are freed. The growing international organization of the West reflected in NATO, the Coal and Steel Community and similar bodies nevertheless acts as a disruptive influence upon the satellite orbit by helping to keep alive the hopes of the captive peo-

ples. Such organizations hold out to them (a) evidence of developing unity and strength of the West essential to their ultimate emancipation, and (b) as an inviting alternative to the compulsory dominion of the false internationalism to which they now belong, a glimpse of an integrated Europe of free constructive possibilities in which they may take part once they are liberated.

MEANS OF ATTACKING SOVIET DOMINATION OF THE SATELLITES

23. The means available to the United States to assist resistance to, and the eventual breakdown of, the dominant Soviet influence in the satellites fall into the following general categories: (a) political and diplomatic; (b) propaganda; (c) economic; (d) covert; and (e) military. It must be recognized that, owing to the actual presence of Soviet power and the apparatus of Soviet control, all these means, with the exception of the military, are of limited effectiveness, except possibly in the case of Albania, whose peculiarly exposed position renders it susceptible to some measure of economic pressure and to a greater degree of covert activities.

Political and Diplomatic

24. The major political and diplomatic capability is to exert the pressure of the unalterable United States position as to the fundamental right of the satellite peoples to freedom, upon the existing Soviet-controlled regimes. The United States can also utilize its position of free world leadership to rally the support of the free world to this position and thus to strengthen and broaden the pressure on the USSR and on those regimes. The United States can also exploit the German desire for unity and a peace treaty in order to undermine the Soviet position in East Germany.

25. The United States still maintains diplomatic missions in Poland, Czechoslovakia, Hungary and Rumania. This is advantageous in that it . . . (b) shows American concern for the rights, welfare and eventual independence of the satellite peoples, (c) makes possible direct contact with the government concerned and facilitates dealing with such problems as the protection of American citizens and property, (d) provides a vantage point which could be useful in the event of future developments that cannot be predicted, such as a major defection, and . . . . The principal disadvantages are (a) the impression created in some quarters that diplomatic relations indicate the acceptance of the legitimacy of the communist regimes, (b) the pressures and harassments to which American representatives in the satellite states are subjected, to the detriment of United States prestige, (c) the brake which the existence of diplomatic relations may exercise on covert operations directed against satellite governments, and (d) the continued pres-

ence of satellite missions in the United States. The possibility of opening diplomatic relations with Bulgaria should be kept under review.

Propaganda

26. The progressive denial to the satellite peoples of access to truth and means of contact with the outside world has limited the possibilities in the propaganda field almost entirely to broadcasting, although balloons, air drops, etc., may be used occasionally with some effect to supplement this medium. The operation of adequate technical facilities for broadcasting to the satellites and the preparation of effective programs assume increasing importance in the effort to conserve and promote anti-communist sentiment against the possible inroads of the communist monopoly over the various media of information. Utilization of our propaganda facilities is conditioned by the necessity of, on the one hand avoiding any commitments regarding when and how these peoples may be liberated and any incitement to premature revolt, and on the other hand seeking to maintain their faith in the eventual restoration of freedom.

Economic

27. Western controls of exports to the Soviet bloc and the Soviet drive for self-sufficiency have reduced trade with Eastern Europe to a relatively low level. The economic measures available are consequently of limited efficacy as implements to accomplish the general purposes of this paper. They might, however, have some harassment value or could serve as auxiliaries to a coordinated program based primarily on other measures. Existing trade controls have already made the economic problems of the satellites more difficult and to this extent contribute to realizing the specific purposes of United States policy toward the satellites.

28. Other economic measures, however, in so far as latitude is allowed by relevant legislation and over-all United States policies, should be considered on a case-by-case basis, bearing in mind the balance of advantage in each instance between the USSR and the free world. It is desirable to maintain flexibility in U.S. economic policies toward the Soviet bloc and toward individual satellites, in order that maximum advantage may be gained with the limited economic weapons at hand (both restrictions and incentives). It is also desirable to have in reserve sufficient economic weapons to bring pressure to bear against particular satellite regimes at particular times if doing so serves U.S. interests. The application of such controls on a general basis, aside from the question of whether they are worth while in terms of general aspects of United States relations with the USSR and our free world allies, would

tend to facilitate the integration of the satellites with the USSR, and would make it impossible to maintain the desired flexibility. Only in the case of Albania is this perhaps not true, for general economic measures by the West could serve to emphasize Albania's political and economic isolation, while effective integration by the Soviets as a countermeasure would be under present conditions most difficult.

Covert

. . . . . .

ALTERNATIVE COURSES OF ACTION

The Three Alternatives

33. One alternative is to take direct action for the liberation of the satellite peoples from the USSR by military force, either through direct military measures or through armed support of revolutionary movements. Such exercise of military force would in all probability start a global war, except possibly in Albania. In the case of the latter the probability of Soviet military counter action is somewhat less than in the other satellites and the risk commensurately diminished but nevertheless real and worthy of most careful consideration. This alternative could not be adopted by the United States unless it were willing to undertake a global war for this purpose, and to wage it in all probability without the wholehearted support of allied nations and of the United Nations.

34. The contrary alternative is to accept the fact of Soviet control of the satellites for an indeterminate period, possibly as a basis for reaching some kind of negotiated accommodation with the USSR, while United States efforts are devoted to areas beyond the present limits of Soviet control in order to block Soviet expansion. To follow such a course, besides being inconsistent with the fundamental principle of the right of the satellite peoples to freedom, would be to deny ourselves means of reducing the over-all Soviet power position vis-à-vis the United States and its allies. It may be reasonably assumed, moreover, that our acceptance of the legitimacy of the present satellite regimes, even if it should require Soviet assent to some limited agreement with the West, would be the course which the Kremlin would desire the United States to follow.

35. There is a large area between the extremes mentioned in the two preceding paragraphs in which policy and action can be developed with the purpose of limiting and impeding the Soviet grip on the satellites. Policy within that field would be determined with a view to contributing toward the eventual elimination of dominant Soviet power over these peoples, but its usefulness need not depend

on its effectiveness in achieving this purpose within any given period of time. The more immediate criteria for judging the desirability of any particular measures would be their effectiveness in slowing down Soviet exploitation of the human and material resources of the satellites, in maintaining popular resistance to and non-cooperation with Soviet policies, and in strengthening those forces and factors which would minimize Soviet assets and maximize Soviet liabilities in this area in case of war. Progress in this regard might bring the question of liberation of one or more satellites to a status of greater actuality and immediacy; any acceleration of or change in the United States policy could then be considered in the light of the situation existing at the time.

36. Adherence to this middle course, though it may preclude reaching any general accommodation with the Soviet Union in the foreseeable future, might contribute to the creation of conditions which will induce the Soviet leadership to be more receptive to negotiated settlements in line with U.S. objectives toward the satellites. Action of this type, when it has reference to areas of direct concern to certain Western nations, can have far reaching consequences to our relation with our own allies. It is desirable that every effort be made to obtain British and French support for this general course of action. Any action regarding Albania, for example, which did not adequately take into account the legitimate interests of Italy, Greece, and Yugoslavia might well result in a net loss rather than gain to Western solidarity and hence to our fundamental interests. In addition to considerations of Soviet capability of reacting in Albania itself, the possibilities of Soviet retaliatory action elsewhere in the world must be taken into account.

U.S. Policy

37. Soviet domination of the satellite peoples violates the principle of freedom and self-determination of nations. It has also, by bringing Soviet power into the heart of Europe, created a fundamental disequilibrium on the continent and a continuing pressure on Western Europe. So long as it remains, the task of achieving security, stability and orderly progress in Europe must encounter grave difficulties. The United States should make clear by its words and deeds that it does not accept this situation as right or as permanent and that no accommodation with the Soviet Union to the contrary effect can be countenanced.

38. A deliberate policy of attempting to liberate the satellite peoples by military force, which would probably mean war with the USSR and most probably would be unacceptable to the American people and condemned by world opinion, cannot be given serious consideration. The United States should, however, direct its efforts

toward fostering conditions which would make possible the liberation of the satellites at a favorable moment in the future and toward obstructing meanwhile the processes of Soviet imperialism in those areas. . . .

39. In general, full advantage should be taken of the means of diplomacy, propaganda, economic policy and . . . to maintain the morale of anti-Soviet elements, to sow confusion and discredit the authority of the regimes, to disrupt Soviet-satellite relationships, and generally to maximize Soviet difficulties. Policies and action to be undertaken by the United States should be judged on the basis of their contribution to these purposes, limited of course by such other factors in the global policy situation as may be pertinent. For example, such questions as the maintenance of diplomatic relations with satellite states, or the nature of economic pressures to be applied to these states, should be decided strictly in terms of general advantages and disadvantages to the United States, not of legalistic considerations or of the degree of indignation felt as a result of the acts of satellite governments.

40. In its efforts to encourage anti-Soviet elements in the satellites and keep up their hopes, the United States should not encourage premature action on their part which will bring upon them reprisals involving further terror and suppression. Continuing and careful attention must be given to the fine line, which is not stationary, between exhortations to keep up morale and to maintain passive resistance, and invitations to suicide. Planning . . . should be determined on the basis of feasibility, minimum risk, and maximum contribution to the fundamental interest of the United States.

41. The United States should vigilantly follow the developing situation in each satellite and be prepared to take advantage of any opportunity to further the emergence of regimes not subservient to the USSR, provided such regimes would have reasonable prospects of survival. Considerations of the relative vulnerability of the several satellites must enter into our calculations. In the case of East Germany, such action will be within the framework of unification under acceptable conditions. . . . United States action in any individual case would have to be determined in the light of probable Soviet reactions in the immediate area involved, or elsewhere, risks of global war, the probable reaction of our allies, and other aspects of the situation prevailing at the time.

42. United States interests with respect to the satellites can be pursued most effectively by flexible and adaptable courses of action within the general policy of determined opposition to, and the purpose of the eventual elimination of, dominant Soviet influence over those peoples. Such action should be within the limits of our capa-

bilities as conditioned by our general policies. Thus the existing power situation, the current policies of the Soviet Government, the effect of any action on the satellite peoples, and the attitudes of the American people and of other free peoples must be borne in mind.

No. 52

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 177th Meeting of the National Security Council, Washington, December 23, 1953[1]

TOP SECRET EYES ONLY

Present at this meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission; the Deputy Secretary of Defense; the Executive Officer, Operations Coordinating Board (for Items 7 and 8); the Secretaries of the Army, the Navy, and the Air Force (for Items 7 and 8); the Deputy Chief of Staff, U.S. Army; the Chief of Naval Operations; the Chief of Staff, U.S. Air Force; the Commandant, U. S. Marine Corps (all for Items 7 and 8). Also present for Items 7 and 8 were the following members of the NSC Planning Board: Robert R. Bowie, State; Frank C. Nash, Defense; Gen. Porter, FOA; W. Y. Elliott, ODM; Elbert P. Tuttle, Treasury; Col. Hugh Cort, JCS; Robert Amory, Jr., CIA; George A. Morgan, OCB; and Paul L. Morrison, Budget. Philip H. Watts, Department of State; Brig. Gen. Paul W. Caraway, Department of Defense; and Christian Herter, Jr., of The Vice President's Office, were also attending the meeting for Items 7 and 8. Also present were the Director of Central Intelligence; Robert Cutler, Special Assistant to the President; C.D. Jackson, Special Assistant to the President; Arthur Minnich, Assistant White House Staff Secretary; the Executive Secretary, NSC; the Deputy Executive Secretary, NSC; and Ina Holtzscheiter, NSC Staff (for Items 7 and 8).

There follows a summary of the discussion and the main points taken.

[Here follows discussion concerning the security of NSC documents, National Security Council meetings and actions, and significant world developments affecting United States security.]

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[1]Prepared by Gleason on Dec. 24.

4. United States Policy Toward the Soviet Satellites in Eastern Europe (NSC 174[2])

Mr. Cutler briefed the Council thoroughly on the high points of NSC 174, and analyzed the crucial issue of avoiding premature revolt. He then called on the Secretary of State, who replied that he thought the paper excellent.

• • • • • • •

Secretary Dulles warned that he had discussed with various Congressional committees the desirability of a resumption of diplomatic relations with Bulgaria. In every instance he had encountered a most violently hostile reaction. While the State Department itself favored this move, the attitude of Congress, said Secretary Dulles, would have to be kept in mind.

The President commented that there seemed to be absolutely no understanding in the Congress that there was a positive advantage to the United States in maintaining these diplomatic relations with countries behind the Iron Curtain. He said he had tried to explain this advantage again and again to members of Congress, and always without success.

Governor Stassen said that he had only one concern about NSC 174. That is that there seemed to be no course of action or plan which the United States would follow in the event of a *successful* revolt by one of these countries against its Soviet masters. Have we, inquired Governor Stassen, really planned for the alternative of a success? Mr. Allen Dulles and Mr. Jackson both assured Governor Stassen that we were making plans for this contingency.

The National Security Council:

Adopted the draft statement of policy on the subject contained in NSC 174, subject to the addition of the words "and Albania" at the end of paragraph 26 on page 9.

Note: NSC 174 as amended, and approved by the President, subsequently referred to the Operations Coordinating Board as the coordinating agency designated by the President.

[Here follows discussion concerning the United States civil administration in the Ryukyu Islands, the NATO Ministerial meeting, December 14–16, and a report by the Vice President on his recent South American trip.]

S. EVERETT GLEASON

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[2]*Supra.*

No. 53

249.1111 Hvasta, John/12-3153: Telegram

The Ambassador in Czechoslovakia (Johnson) to the Department of State

SECRET PRAGUE, December 31, 1953—4 p. m.

243. In thirty minute informal talk with President following presentation credentials this morning[1] I took initiative in raising Hvasta case[2] making presentation along following lines:

Upon arrival I found myself confronted with this most troublesome and urgent problem for both governments and also as its resolution will probably require official act on part of President I raise it with him at this time. Case is long, complex, controversial and do not desire enter into detailed discussion thereof with President. Fully appreciate difficult problem it presents but am confident with cooperation President, Foreign Minister and myself can work out mutually satisfactory solution. Apart from own importance case urgent because appears have interrupted considerable progress made toward restoration more normal relations following release Oatis and difficult to see how further progress can be made until resolved. Fortunately no publicity thus far but longer solution delay greater possibility knowledge of case becoming public. In that event am personally greatly concerned over affects on public and congressional opinion in US fearing result could even be setback considerable progress in restoration more normal relations since Oatis release. At this point made clear I was expressing only frank personal estimate situation as viewed by self and not making threat. Also expressed opinion important urgently resolve case in order remove all possible irritants which could conceivably jeopardize successful outcome for the coming Berlin four-power meeting.

President was obviously prepared to have case raised and replied at some length. Because of not too satisfactory interpretation I am not able reach firm conclusions with regard to extent to which Czechs may be prepared to go meet our point of view on Hvasta. However, the President's manner and tone of remarks as interpreted can be characterized as somewhat encouraging. While reiterating Czech jurisdiction over foreigners committing crimes in Czechoslovakia President did not make any demand for his surrender and referred to Oatis case as example possibility of working out mutu-

[1]U. Alexis Johnson was appointed Ambassador to Czechoslovakia on Nov. 10. Wadsworth left post on Oct. 30.

[2]Jan Hvasta was an American citizen who had been convicted of espionage in Czechoslovakia in 1948 and imprisoned since then.

ally satisfactory solutions within framework Czech law where foreigners arrested. He made somewhat cryptic remark which was not too well interpreted with regard to necessity keeping agreements in such cases which he did not follow up or further elaborate but which I interpreted as possible reference to US statements concerning overflights made connection Oatis release. He promised his cooperation in working out solution Hvasta case, expressed confidence in finding a mutually satisfactory solution, and accepted my suggestion that Foreign Minister and I urgently follow up question.

Immediately following conversation at which both Foreign Minister and Chief Protocol were present I asked Chief Protocol for appointment Foreign Minister at earliest possible date, if possible January 4.

At meeting with Foreign Minister I propose refer suggestion Foreign Ministry prepared recommend pardon and suggest solution can be found in sufficiently expediting such procedures as permit the completion and arrangements for Hvasta departure from country within a period of several hours during which I would personally deliver Hvasta to technical custody of Minister of Justice or other appropriate official. Dependent upon course of conversation I will propose alternative solution under Article 276 of Criminal Code providing for remission of sentence and deportation. I will, of course, as circumstances require, reiterate impossibility returning Hvasta for renewed imprisonment but plan to give Czechs maximum opportunity to work out solution they could consider as "face saving".[3]

JOHNSON

[3]Following several interviews with Foreign Minister David during January, a provision for the expulsion of Hvasta from Czechoslovakia was finally agreed upon in a conversation between Johnson and Široký on Jan. 29. A summary of this conversation was transmitted in telegram 286 from Prague, Jan. 30. (249.1111 Hvasta, John/1-3054) Hvasta was expelled from Czechoslovakia on Feb. 4.

No. 54

849.331/2-554: Telegram

The Ambassador in Czechoslovakia (Johnson) to the Department of State

CONFIDENTIAL PRAGUE, February 5, 1954—4 p. m.

. 301. Reference Embassy telegram 295.[1] At meeting with Foreign Minister, stated asked I call in order give me note regarding steel mill in which Czechoslovak Government is asking United States Government take necessary action permit consummation sale of mill to Argentina Government without making any economic or financial conditions. Foreign Minister then referred to "very extensive press campaign" with respect to sale of mill to Argentina, Czechoslovak Government feeling it necessary refute some of the points made in that campaign and to point out that the campaign was not conducive to the establishment of good relations. However, he "did not wish to state reason behind this press campaign". In respect to other open financial and economic questions wished to stress Czechoslovak Government was "still willing to continue negotiations through appropriate diplomatic channels". Minister thereupon handed me 12-page note (summarized immediately following telegram, full text by airpouch).[2]

Replied I would not take time Minister read note, but would, of course, transmit it to my government, inform him when in position make reply. I then reviewed my conversation with Prime Minister (Embassy telegram 285[3]) and asked whether note being given me today was Czechoslovak Government reply to Wadsworth's August 14 *aide-mémoire*[4] to Prime Minister. Foreign Minister evaded direct reply, but stated note being given me set forth "viewpoint Czechoslovak Government". I then stated steel mill only one of several outstanding economic issues. While Czechoslovaks had strong interest steel mill, United States had major interest question compensation nationalized property. United States considered settlement latter question essential solution other economic issues and in point of the nationalization compensation by far oldest issue. I then reviewed history negotiations this subject pointing out numerous requests by United States renew negotiations, last being August 14 *aide-mémoire*. Appeared to me that essential question is

[1]Telegram 295, Feb. 4, reported that Foreign Minister David had requested an interview with Johnson for what the latter assumed would be a discussion of economic matters. (849.331/2-454)

[2]The summary of the note was transmitted in telegram 302, Feb. 6. (849.331/2-654)

[3]Not printed. (249.1111 Hvasta, John/1-3054)

[4]Transmitted in telegram 9 to Prague, July 14. (611.49/7-1453)

whether Czechoslovak Government is willing negotiate on nationalization compensation and other outstanding and financial issues, as well as upon steel mill case. Foreign Minister limited self to replying that he was "privately of opinion" that solution of steel mill case could create conditions which would permit prompt settlement other outstanding economic and financial issues. With respect nationalized property, desired to make clear measures were not "discriminatory" against United States, but involved general re-organization of economic and satisfactory compensation agreements had been reached with other governments. As was clear, Foreign Minister had neither instructions nor information which would permit any fruitful discussion. I terminated conversation that point.

It is my opinion, text of note is largely work of Siroky, and represents what he considers reply promised our January 29 conversation, essentially note appears to be only reiteration Czechoslovak Government position of no negotiation on nationalization compensation, until release steel mill. After study of note, further Embassy comments will be transmitted early next week.[5]

JOHNSON

[5]In telegram 327 from Prague, Feb. 13, Johnson transmitted a critique of the Czechoslovak note. While remarking that the note was not encouraging, Johnson recommended that the United States nevertheless attempt to use the steel mill blockage to reopen negotiations for the satisfaction of nationalization claims. (849.331/2-1354) Instead of accepting this recommendation, the Department of State responded in telegram 185 to Prague, Mar. 15, that the Department of the Treasury had decided simply to open bids for the sale of the steel mill. (849.331/3-1554)

No. 55

764.00/6-154 Telegram

The Chargé in Hungary (Lafoon) to the Department of State

CONFIDENTIAL BUDAPEST, June 1, 1954—2 p. m.

676. Pass VOA, MRC. In our preliminary analysis third HWP Congress one factor seems unmistakably clear—Rakosi remains firmly in control.

He dominated the Congress. He received rousing ovations when he arose make keynote speech and when he made brief closing address; presence Voroshilov as principal Soviet delegate added to his prestige, and retention same leadership group was added proof that his party stewardship satisfactory Kremlin masters.

Only two others—Nagy and Gero—came anywhere near rivaling him in importance. The first had the task, while reporting on state administration and councils, of presenting new "Peoples Front

policy", but the latter, who is now Minister of Interior, was assigned the unpleasant task of parroting but elaborating on that portion Rakosi report dealing with economic difficulties. Since Gero was principally responsible for economic policy prior July 1953, he more than anyone else indulged in self-criticism.

LAFOON

No. 56

S/S-NSC files, lot 63 D 351, NSC 174 Series

Report by the Operations Coordinating Board Working Group on NSC 174 to the National Security Council[1]

TOP SECRET WASHINGTON, July 7, 1954.

PROGRESS REPORT ON NSC 174, UNITED STATES POLICY TOWARD THE SOVIET SATELLITES IN EASTERN EUROPE[2]

(Policy Approved by the President December 23, 1953)

I. SUMMARY

A. Actions in Execution of Policy

In implementing NSC 174 the following major actions have been taken:

1. The Berlin four-power conference afforded the Secretary of State opportunity to reaffirm U.S. opposition to Soviet domination over the satellites and the Baltic States which was exploited by USIA and other media.

2. CAST, a one-megawatt transmitter, was established in Germany and affords the opportunity of increasing the listening audience behind the Iron Curtain.

3. The NATO nations conferred in January on ways and means of coordinating propaganda broadcasts to the USSR and satellites and prepared recommendations to this end which are now under consideration by the respective governments.

4. The Phase A Escapee Program[3] was examined by an OCB working group which made recommendations to improve services for rehabilitation and resettlement of refugees. These recommendations are now being implemented.

5. In line with the policy of providing a clear contrast between the East and West Zones of Berlin, FOA continued operation of

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[1]In addition to the paper printed here, the Progress Report on NSC 174 included a cover sheet and a memorandum by Morgan to Lay, July 13, which noted that the OCB had approved the report on July 7.

[2]For text of NSC 174, see Document 51.

[3]For text of the President's Escapee Program, PSB D-18/a, see Document 63.

food, refugee housing, escapee, and investment programs in West Berlin at approximately the same levels as in the past.

6. The Department of State consulted with the Kersten Committee of the House of Representatives concerning the committee's plans to investigate Communist seizure and rule in Europe.

7. Messages and statements on appropriate occasions in connection with national days of the Eastern European and Baltic States were issued and exploited.

8. USIA maintained the same level of broadcast hours to the USSR and the satellite states tailoring its special feature programs and regular newscasts to the new requirements set forth in the Courses of Action.

9. A separate report on covert operations will be made to the Board.

B. Evaluation of Policy

Effective implementation of certain of the courses of action stipulated in NSC 174 is inhibited by the cautions and limitations written into that document, by the practical difficulties of operating effectively on any scale in or into the denied areas and by the fact that the results of aggressive action to carry them out would seriously risk producing results in conflict with other U.S. policy objectives. Thus, while the policy objectives of NSC 174 remain valid as long-term goals, the ability of the U.S. to take direct action towards achieving those objectives is limited.

C. Major Problems

In the implementation of NSC 174, there are a number of factors which limit the actions which can be undertaken by the Government. There are policy problems, e.g., the objective is to restore freedom and roll back Soviet power in the satellites, but at the same time to avoid provoking war with the USSR, to ease international tensions, cooperate with our allies and avoid premature revolt. The Soviets showed plainly at the Berlin Conference how vital to their own interests they consider the maintenance of control over Eastern Europe. There are practical problems seriously limiting U.S. capabilities, including the tightness of border controls, radio jamming, and a ruthless police regime within the satellites. In the light of these difficulties, action and planning must be largely confined to overt diplomatic action, encouraging passive resistance, trying to keep alive the hopes of the satellite peoples, and propaganda and information sent into the area by radio, ...

D. Future Plans

An OCB working group is completing Operational Plans[4] for the six-month period, May 1 through October 31, 1954, to include

[4]Not printed. (OCB files, lot 62 D 430, "Soviet Satellites, 1953–54")

projects and special undertakings within the current capabilities of the departments and agencies. Due to restrictions in policy and limited capabilities, these plans will primarily involve actions which will permit propaganda exploitation to the peoples of the satellite states and several diplomatic moves.

II. DETAILED REPORT

[Here follows Section A, a statement of actions by paragraphs of NSC 174.]

B. Evaluation of Policy

NSC 174 states the ultimate U.S. objective of seeing the captive peoples of the satellite countries free and independent of Soviet Communist domination. This objective is shared in varying degrees by all the free world. The desire for liberation from Soviet domination is undoubtedly strong among the captive peoples, many of whom would welcome militant Western action to liberate them, even to the extent of resort to a war of liberation by the West. Neither the U.S. nor other free world countries are willing to take such extreme steps, nor is the U.S. prepared to undertake or foster activities which it would not back up with military support in the event of ruthless Soviet suppression and reprisals. Furthermore, our European allies are strongly against taking what they estimate to be provocative action. Consequently, the U.S. must limit its activities to a scope which is considered inadequate by at least the activists among the captive peoples and some of the *émigrés*. The limitations which overall U.S. policy places on the means utilized in the direct pursuit of the broad objective of freedom for the satellites (quite aside from practical limitations arising from the meagerness of U.S. capabilities) are the reason for the inhibitions written into NSC 174 and made manifest in U.S. actions.

The implementation of the courses of action set forth in NSC 174 is restricted by the fact that U.S. capabilities behind the Iron Curtain are limited, due to the physical obstacles and tight controls imposed by the Communists. U.S. capabilities are considerably greater in those areas of Eastern Europe which are contiguous with the Western world. In Eastern Germany, by virtue of our position in Berlin, they are in some respects greater.

The foregoing limits the U.S. field of action in the satellites largely to the encouragement of passive resistance, supported by any diplomatic measure which can be devised to strengthen the negotiation position of the West vis-à-vis the Soviet Union or to create conditions within the Soviet bloc which will permit a more effective exploitation than is currently possible.

In summary, while the policy objectives expressed in NSC 174 are valid long-term objectives, the U.S. can make only minor progress towards their attainment under present conditions.

C. Major Problems

1. The Soviet Union has shown that it considers the continued domination of Eastern Europe essential to its own security and that it would take strong measures to prevent the detachment of any satellite (except possibly Albania). The Soviet control mechanism continues to operate effectively. It is probable that only military intervention by the West or internal collapse in the USSR could disrupt the control mechanism, and neither seems likely in the foreseeable future.

2. Due to the effectiveness of the Soviet control mechanism, and the ruthlessness with which any dissidence is suppressed, it cannot be expected that the people of any satellite will take positive actions towards revolt or towards seriously affecting Soviet control except such actions as can be taken clandestinely and with relative safety. It is probable that only a prospect of relatively near liberation, through military action or Soviet disintegration, would call forth active resistance by the satellite peoples.

3. While the satellite peoples at first hoped for and probably expected some change in their status as a result of Stalin's death and the consequent rearrangement of the Soviet power mechanism, the effectiveness with which power has been transferred and the continuing intransigence of Soviet actions have depressed such hopes. With the possible exception of the East Germans, the satellite people probably have concluded that their only hope of liberation is war, which they naturally also dread. In East Germany, there is probably a belief that national reunification may be able to be achieved short of war.

4. The *émigrés* naturally consider liberation of their homelands as of overriding importance. Because of their relative lack of concern with other U.S. policy objectives, they tend to find it difficult to accept the limitations on U.S. action.

5. Actions can be taken and are taken to maintain the hopes of the captive peoples, through diplomatic, propaganda and other information activities. The maintenance of the strength and unity of the free world has a real impact behind the Iron Curtain; every successful resistance to Communist expansion has its effect. These are, however, mainly in the nature of holding actions so far as the satellites are concerned and the hard facts of the situation make it unrealistic to expect that conspicuous progress towards achieving the long-range policy objectives of NSC 174 will be made under present circumstances.

D. Future Plans

As indicated above, the type of actions which can be taken in support of U.S. policy toward the satellite states are restricted although the opportunities in Eastern Germany are greater than elsewhere. The Operational Plans prepared by the working group to cover the six-month period, May 1 through October 31, 1954, are consistent with these restrictions in policy and limited capabilities. Consequently, they primarily involve actions which will permit propaganda exploitation to the peoples of the satellite states and several diplomatic moves.

Continuous efforts will of course be made to develop additional assets and capabilities and to make them as effective as possible.

No. 57

864.49/8-1354: Telegram

The Minister in Hungary (Ravndal) to the Department of State[1]

SECRET BUDAPEST, August 13, 1954—7 p. m.

83. From manner in which both East German and Hungarian acceptance US flood and offer developed (Legtel 69[2]) clear presumption exists that Moscow directive behind both related actions. While hand of Kremlin more obvious in East German case due publicity given regime's first reactions, evolution of events culminating in Hungarian acceptance, as revealed following, also tends confirm this conclusion:

1. Regime hereby its every action showed its determination from very outset to use flood to build up internal [garble] life of party (Legtel 46[3]).

2. That government had decided as early as July 23 against classifying flood as disaster and against either soliciting or accepting outside aid openly revealed by Rakosi and Gero (Legtel 36[4]) think-

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[1]Also sent to Berlin and Moscow.

[2]Telegram 69, Aug. 10, reported that the Hungarian Government had accepted the U.S. offer for emergency flood relief made on July 31. (864.49/8-1054) Heavy rains during July caused flooding along rivers in Czechoslovakia, the German Democratic Republic, the Federal Republic of Germany, Austria, Hungary, Rumania, and Yugoslavia. President Eisenhower issued a statement on July 29, printed in Department of State *Bulletin*, Aug. 9, 1954, p. 197, offering assistance to all affected areas. The Rumanian Government, noting that the damage suffered was slight, rejected the offer on Aug. 3. (Telegram 26 from Bucharest, Aug. 4; 866.49/8-454) The Czechoslovak Government accepted the offer in a note of Aug. 16, printed in Department of State *Bulletin*, Aug. 30, 1954, p. 309.

[3]Not printed. (864.49/7-2954)

[4]Not printed. (864.49/7-2354)

ing at this stage evidently based on assumption that as flooded area Hungary comparatively light and as losses to crops relatively small, material gains from any likely foreign aid would probably not be sufficient to warrant give up prestige value to party of overcoming flood danger and damage without assistance.

3. Thus when Dutch offer assistance made July 30, it unequivocally refused on grounds Hungary did not need assistance. US offer July 31 received with statement it would be referred to government, but that Hungary had not thus far needed accept any of several outside offers of aid.

4. Public about-face occurred August 7 when Dutch Minister told Hungary would be happy to receive Dutch offer but would prefer currency to commodities and US informed August 10 that Hungary would accept our offer aid.

Most plausible explanation this adroit reversal in declared policy lies in receipt here of directive from Moscow. Caught in mid-stream in pursuit its post-Geneva objective of convincing peoples West Europe of genuineness its "peaceful co-existence" mask and its protestations about readiness to negotiate all controversies and cooperate in all things, Kremlin seems to have concluded it could ill afford at this time to have people's Democracies belying truth these professions by their actions. Order therefore sent satellite underlings to reverse their adopted positions regardless loss of face entailed in this action. In formulating decision, Kremlin doubtless also had in mind deleterious effects last US aid offer refusal by a satellite and satellites as well as Russia's own dwindling larders which could easily support slice of capitalists abundance, particularly if free.

Legation will appreciate receiving Department, Moscow, Berlin comments.

RAVNDAL

No. 58

764.00/10–2054: Telegram

The Minister in Hungary (Ravndal) to the Department of State

SECRET BUDAPEST, October 20, 1954—1 p. m.

187. Pass VOA, MRC. Legation's analysis current situation (Legtel 182[1]) is that Hungarian regime after long period indecision reaching as far back as May or earlier) and effort stemming from economic desperation has now taken new tack on old NEP course.

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[1]Telegram 182 reported that a meeting of the Central Committee of the HWP had taken place Oct. 1-3 and that the decisions emanating from it seemed to portend a change in the state's economic policy. (964.61/10–1654)

Trend both political and economic appears to continue in direction conciliation with greater concessions probably in offing for both peasants and workers. (More complete analysis follows in Legation despatch 108 October 22.[2]) Question arises as to most appropriate US activity in period concessionary trend or uncertainty. Although not over emphasizing this point, belief here is that effect, if any, of US conciliatory moves would be at maximum during such periods. As new tack, if confirmed, represents one more popular victory over regime, next efforts US policy in Legation's view, including media output, should be directed at continuing to nudge regime further in present direction. Though US should not contemplate any major concessions, total benefit friendly or conciliatory moves towards regime and people might be somewhat greater now than when regime moving in direction greater terror and oppression.

Several possibilities for US action along these lines occur to us in addition flood aid grant:

(1) Minister might offer personal good offices obtain cessation RFE balloon drop.

(2) US could take steps indicate willingness see trade extended beyond present meager level such as possibility offering reactivate 1925 treaty minus Article VII.[3]

(3) Request waiver customs duties Christmas packages Legtel 159.[4]

(4) Propose discussions re permitting Americans visit Hungary. Success such negotiations would of course rest on Hungarian assurances re non-molestation and automatic exit permission particularly to dual nationals or ex-Hungarians and on satisfactory solution pending exit to SA cases (three cases under category one Legation despatch 93 October 7[5] departed Hungary October 15).

While not desiring over-emphasize possibilities success or benefits these proposals, believe we have nothing to lose by offering them and that near future may be propitious time.

Re media output, offer following views:

1. Current trend, if continued, should be hailed as recognition by regime to extent and strength public opposition to Sovietization Hungary.

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[2]Not printed. (764.00/10-2254)

[3]Reference is to the Treaty of Friendship, Commerce and Consular Rights between the United States and Hungary, June 24, 1925, printed in *Foreign Relations*, 1925, vol. II, p. 341. Article VII granted Hungary most-favored-nation status.

[4]Telegram 159, Oct. 5, recommended repeating the 1953 offer to undertake a Christmas gift food parcel program. (864.49/10-554)

[5]Despatch 93 transmitted a copy of a list of persons in Hungary who wished to acquire an exit visa from the Hungarian Government and noted that the list had been delivered to the Hungarian Foreign Ministry. Category one encompassed those applicants who were American citizens. (764.08/10-754)

2. Anti-regime output should not in this phase be aimed so directly at "moderate" elements who have apparently won decision in this round but at advocates harsher policy, who though defeated retain great strength. Output should also single out worst remaining features Communist control (of which plenty) but any moves towards moderateness should be recognized.

3. Specific suggestions re moves brings state closer to people might be proposed, possibly along lines RFE 12 points but not so inclusive. Suggestions should be within limits attainability.

RAVNDAL

No. 59

Editorial Note

On November 29, a Conference of European Countries on Insuring Peace and Security in Europe opened in Moscow. The conference, which lasted through December 2, was attended by delegations from the Soviet Union, Albania, Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Rumania. The People's Republic of China sent an observer delegation headed by Deputy Foreign Minister Chang Wan-tien. The Czechoslovak, GDR, and Polish Delegations were headed by their respective Prime Ministers. The others were represented at the Foreign Minister level.

The conference had its origins in the exchanges of notes between the Soviet Union and the Western allies which occurred subsequent to the Berlin Conference in early 1954. (For documentation on the Berlin Conference, see volume VII, Part 1, pages 601 ff.) A Soviet note of March 31, 1954, rejected by the three Western powers on May 7, proposed that the United States join an All-European Security Treaty as put forth by the Soviet Union at the Berlin Conference. (For documentation, see volume V, Part 1, pages 487 ff.)

A second Soviet note, July 24, proposed a conference to discuss collective security in Europe. The Western reply of September 10 made such a meeting conditional on Soviet agreement to an Austrian Treaty and free elections in Germany. For texts of this exchange, see Department of State *Bulletin*, September 20, 1954, pages 397–402.

The Soviet call for a European security conference was reiterated in two additional notes of October 23 and November 13; the latter issued invitations to the Moscow Conference for November 29. The Western powers replied on November 29, repeating the two aforementioned preconditions and adding a third: that a conference take place only after the Paris Agreements (see volume V, Part 2, pages

1435 ff.) had been signed. Texts of the Soviet notes and Western reply are in Department of State *Bulletin*, December 13, 1954, pages 901-907.

In light of the Western rejection of the Soviet proposal, the Moscow Conference included only the East European countries and the People's Republic of China.

No. 60

396.1 MO/12-354:Telegram

The Chargé in the Soviet Union (Walmsley) to the Department of State[1]

PRIORITY
OFFICIAL USE ONLY

Moscow, December 3, 1954—2 a. m.

870. Moscow conference ended this evening with formal signing of joint "declaration" at Kremlin ceremony (see Embtel 869[2]).

"Declaration" is essentially restatement of Molotov November 29 speech.[3] Operative section expresses intention in event Paris agreements are ratified to carry out "joint measures in organization of armed forces and their command," as well as "other measures" necessary for strengthening defenses and guaranteeing "inviolability of borders," and also provides for consultation to this end. Western rejection of Paris accords is still presented as precondition for "settlement" of German question and remilitarization of West Germany is said to "exclude possibility" of reunification.

Despite sterility of document as regards Germany, it is further effort to exert propaganda influence, particularly in West Germany, for example (1) in specific reference to possibility of "achievement of agreement" on holding all-German elections in course of 1955, as well as peace treaty, should West reject Paris agreement; (2) in statement noted above, less equivocal than heretofore, that remilitarization of West Germany would "exclude possibility" of agreement on reunification; and (3) in new theme implying unification of Germany is essential to its resuming status as "one of great powers".

Tone of conference was set by Molotov's speech, which subsequent speeches followed with undeviating uniformity. It is interesting commentary that four day exercise, of which only last could be

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[1]Repeated for information to Paris, London, and Bonn.

[2]Not printed.

[3]A summary of Molotov's Nov. 29 speech was transmitted in telegram 853 from Moscow, Nov. 30. (396.1 MO/11-3054)

called "working" day, produced agreed text of such length it could have been written on first day. Holding of conference before ratification of Paris accords logically prevented significant departures from established line on Germany as well as adoption of definitive new position.

In summary, "declaration" is latest step in campaign to prevent ratification of Paris agreements. Conference was from first obviously designed for this purpose and to serve as warning. Moreover, in event of ratification, conference provides device whereby Soviets may move away from "reunification," attempting to place onus for division of Germany on West.

WALMSLEY

No. 61

OCB files, lot 62 D 430, "Soviet Satellites, 1953–54"

Paper Prepared by the Operations Coordinating Board Working Group on NSC 174[1]

TOP SECRET WASHINGTON, December 30, 1954.

ANALYSIS OF THE SITUATION WITH RESPECT TO POSSIBLE DETACHMENT OF A MAJOR EUROPEAN SOVIET SATELLITE

SUMMARY

1. Acting on the suggestion of the Board Assistants, the OCB, at its meeting of August 25, 1954, requested the Working Group to review additional possible actions to implement NSC 174,[2] particularly a major coordinated effort by appropriate agencies designed to detach one of the important European satellites from the Soviet bloc. The Working Group was requested to submit a preliminary staff analysis to the Board which would point up the policy and strategic implications and feasibility factors that would be involved in such an effort. At their meeting of August 13, 1954, the Board Assistants agreed that Albania should not be considered as an "important" satellite for the purposes of this study.

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[1]Attached to the source text were a memorandum by Staats transmitting the paper to the OCB for consideration at its meeting of Jan. 5, 1955, not printed; Annex A, printed in vol. VII, Part 2, p. 1707; and Annex B, not printed. Staats' transmittal memorandum stated that the analysis, which was considered by the OCB Board Assistants on Dec. 23, had been prepared at the request of the OCB at its meeting of Aug. 25, 1954. For an account of the action taken by the OCB on the paper presented here, see the minutes of its meeting of Jan. 5, 1955, *infra*.

[2]Document 51.

2. The Working Group first reviewed existing intelligence estimates of the political situation concerning all of the Eastern European satellites. Then a study was made of the methods that might be used to detach a satellite. U.S. capabilities for such action were reviewed and conclusions flowing from the analysis were drawn. Studies on the vulnerabilities of East Germany and Czechoslovakia were prepared especially for this review.

3. The analysis indicates that the instrumentalities of Soviet dominion in the political, economic and cultural fields, backed by military force, continue to be effective in maintaining control over the satellites. The progressive sovietization of the political, social and economic structure of the satellites, the orientation of the local economies towards the East and the concentrated effort at indoctrination of the rising generation have served further to support Moscow's control over the satellite areas. The Soviet orbit nevertheless has vulnerabilities which are susceptible to exploitation by the United States.

4. It is recommended that the Board concur in the following:

a. At present, given the strength of the Soviet position, no major Soviet satellite presents vulnerabilities of such extent that their exploitation can be expected to result in its detachment from the Soviet bloc.

b. U.S. capabilities under present conditions are not sufficient to accomplish the detachment of any major Soviet satellite by means short of war.

c. Unless the power balance between the United States and the Soviet Union changes drastically in our favor, there is little likelihood of detaching a major satellite at any time without grave risk of war except by negotiation. The only satellite which now lends itself to possible detachment by this means is East Germany. If an effort against this satellite were to be undertaken with any hope of success it would require a concentration of political, economic and psychological measures directed to this end. Such a concentrated effort should now be undertaken with East Germany as the target.

5. Without attempting to be categorical, it is the opinion of the Working Group that soft treatment cannot be expected to effect the basic changes in the nature of communist regimes which would conform to U.S. objectives; and that therefore, except when relaxations are calculated to obtain carefully defined limited objectives within a short time span or to protect the people against the regime under special circumstances of internal tension, pressures should be increased against any part of the Soviet orbit where suitable opportunities appear. The importance of this subject justifies study of appropriate implementing actions consistent with U.S. policy as it develops.

I. ESTIMATE OF THE SITUATION WITH RESPECT TO THE MAJOR EUROPEAN SATELLITES

The System of Soviet Control

1. Soviet control of the satellites is exercised through the satellite communist parties and governments, Soviet diplomatic, economic and military missions in each satellite, the Soviet and satellite security services and is based, in the last analysis, on contingents of the Soviet armed forces stationed in Eastern Europe. In addition, the USSR exercises direct administrative authority in many instances through Soviet citizens in key positions or in command of ministries, armed forces, and industries. Through this system the USSR provides the satellite governments with over-all policy guidance. When necessary, satellite leaders are called to Moscow for instructions. Although Moscow permits and encourages programs of cultural, economic, and technical collaboration among the satellites, the Soviet control system is designed to bind the satellites individually to the USSR rather than to one another. Enforcement of obedience to Soviet wishes is assured by the system's military, economic and police power.

2. The satellite communist parties, the leaders of which are selected by the Kremlin, constitute the principal instrumentality for implementing Soviet policy and for imposing Soviet ideological and institutional forms upon the satellite populations. These parties, subject to continuing Moscow control and supervision, provide the satellite government leadership, play a leading role in managerial assignments, regulate the local control machinery, and direct the "voluntary activities" of the people. The complete subservience of the satellite communist parties to the new Soviet rulers has been reaffirmed at recent satellite Communist Party congresses, which were attended by top-level Soviet officials.

3. Under Soviet aegis the various satellite security services have become in effect a part of the USSR's police mechanism in Eastern Europe. Since 1950 they have been reorganized according to the Soviet pattern, staffed by personnel deemed reliable by the Soviet security services, and brought under Soviet control through a system of advisers. Moscow gives these services over-all policy guidance and exercises direct control over liaison between one satellite service and another. As a result of this integration, the Soviet Government now has a security service of disciplined local nationals at its disposal in each satellite. This service operates as an arm of Moscow in detecting and suppressing all forms of subversion and in maintaining state authority and the stability of the satellite governments. Although some individual defections may occur from

time to time, the effectiveness of the satellite security services has not been impaired to any material extent.

4. The USSR continues to maintain strong combat-ready forces, totalling an estimated 531,000 army troops, 24,000 security troops and 1,800 aircraft (estimated actual strength) in the satellites, mostly in East Germany. Although the deployment of these forces is based primarily on strategic rather than internal security considerations, the mere presence or near proximity of Soviet forces has had and is likely to continue to have the effect of restraining potential resistance. The overt employment of Soviet troops in suppressing the 17 June 1953 riots in East Germany demonstrated Soviet willingness to use these forces where necessary.[3] Soviet general officers possessing extensive combat and command experience have recently been appointed as Soviet military attachés in all the satellites except East Germany. In addition, the satellite armed forces, which are being developed under close Soviet supervision, now total over 1,100,000 army troops, 300,000 security troops, and 2,400 aircraft (estimated actual strength). This military development program provides the Soviet Union with important additional means of internal security, mass indoctrination of youth, and control.

5. The Soviet Union exercises control over the economies of the satellites by fixing over-all production goals and priorities, by regulating the trade relations of these countries with the USSR, and by supervising their trade with other areas. Satellite economic plans are prepared in accordance with general policies determined by the Soviet Union. Soviet control is exercised, in addition, with varying emphasis in different countries, through a system of tight bilateral trade and financial arrangements, joint companies and long-term credits for industrial development. More subtle aspects of control in the trading system arise from increased satellite dependence upon Soviet sources for raw materials and certain capital goods, and integration of trade agreements with long-term plans. The Soviet Government also maintains large economic missions in each satellite, as well as advisers and inspectors to monitor performance by ministries and industries and, if necessary, to assume direct supervision.

6. The Soviet pattern of intellectual, cultural, and religious institutions is being imposed upon the satellites. The satellite governments have a monopoly over the schools and mass-information media, and have endeavored to bring church organizations under the control of the state. The educational system has been reorga-

[3]For documentation concerning the unrest in the German Democratic Republic in June 1953, see vol. VII, Part 2, pp. 1584 ff.

nized to serve communist ends; teaching staffs and libraries have been purged and curricula revised to place new emphasis on communist indoctrination and vocational training. The formal power of the churches has been curtailed through the imprisonment of church leaders, the expropriation of church property, the severance of former administrative links with the outside world, and by progressively depriving the church of its facilities to educate the youth. Family life, which is an important bearer of traditional values, has been disrupted by physically and psychologically exhausting work norms, material want and the necessity for the mother to work, obligatory political activities, and the exploitation of small children as unwitting informers on their parents.

Political Developments

7. One of the first preoccupations of the Soviet leadership following Stalin's death was to assure the dependability of leadership groups in the satellites. Although certain shifts in key positions occurred, notably in the crucial post of Party first secretary, the upper layer of officialdom which had already undergone a long process of trial and purging has continued in office without striking realignments of influence or responsibilities. Following the pattern set in Moscow, steps have been taken in the satellites to conform to the principle of "collective leadership" and to streamline Party secretariats through a reduction in size and a more precise definition of functions. In addition, Soviet ambassadors with long experience in the diplomatic service have been replaced in Czechoslovakia, Poland, Rumania, Bulgaria, and Hungary by men with extensive Party experience. These developments support the conclusion that the new Soviet regime has assigned a high priority to strengthening the Party apparatus in the satellite countries.

8. A major obstacle to complete attainment of Soviet objectives in Eastern Europe is the continuing dissatisfaction of the satellite populations with communism and Soviet domination. This dissatisfaction is compounded by the loss of personal freedom and a reduced standard of living, as well as by outraged religious and national feelings, but its expression is severely constricted by the controls imposed on every aspect of the lives of the people. There is virtually no organized active resistance and only limited unorganized active resistance. The latter consists mainly of occasional raids by small armed bands and individual acts of subversion and sabotage. On the other hand, passive resistance continues to be widespread and to constitute an obstacle to consolidation of Soviet control, efficient functioning of the administrative apparatus, reliability of the armed forces and police, and implementation of economic programs. The more prevalent forms of passive resistance

are worker absenteeism, negligent performance, work slow-downs, crop delivery evasion, increased church attendance, listening to foreign broadcasts and whispering campaigns.

9. The satellite governments are attempting to alleviate dissatisfaction by promising an improvement in standards of living. However, efforts in this direction have not succeeded in satisfying consumer cravings on any significant scale or in giving the individual a greater feeling of material well-being. Popular dissatisfaction therefore will probably continue to slow the attainment of Soviet objectives in Eastern Europe and to limit the economic, political, and military benefits which the USSR can derive from control of the satellites. In the absence of general war, however, popular dissatisfaction will almost certainly not develop beyond the stage of passive resistance, occasional acts of sabotage and other forms of limited active resistance.

Satellite Industry

10. The distinguishing feature of the industrialization programs imposed on the satellites by the USSR has been the emphasis placed on heavy industries producing capital goods. Over-all satellite industrial production was back to the 1938 level by 1951 and in 1953 it was about 25 percent above the prewar level. This increase may be attributed to the fact that industry was relatively undeveloped in certain of the satellites prior to World War II. Within the industrial sector the most impressive growth has been in the production of machinery and equipment, chemicals, metals, energy, and building materials, generally in that order. Output of the light and textile industries surpassed the prewar level in all the satellites except East Germany, while production of forest products and processed foods generally failed to return to these levels.

11. In spite of failure to achieve a number of goals in the original industrial plans, satellite industrial production is a significant accretion to Soviet economic strength. Soviet authorities control allocations between producers and consumers in the satellites and deliveries to the USSR. In comparison with Soviet production, approximate satellite output for 1953 was as follows: machinery and locomotives—50% to 65%, freight cars—43%, tractors—30%, bearings—16%, finished steel—24%, pigiron—22%, lead—54%, aluminum—19%, copper—11%, lignite—250%, hard coal—50%, electric power—50%, crude oil—20%, synthetic petroleum products—600%, calcium carbide—300%, caustic soda—104%, chlorine—100%, synthetic ammonia—86%, refined benzol—53%, and sulphuric acid—44%.

Satellite Agriculture

12. In contrast to the rapid growth of industry, satellite agriculture has lagged seriously since the immediate postwar phase of re-

covery. Although the yield of industrial crops returned to prewar levels between 1948 and 1950, over-all agricultural production, owing to the low output of food crops and animal products, has not yet regained the prewar level of production. Over-all agricultural output in 1951 was an estimated 14 percent below the pre-war level, but it slipped back in 1953 to approximately 21 percent below that level. The total population of the satellites in 1953 was about 3 percent below the 1938 level.

13. Total agricultural collectivization continues to be the acknowledged long-term goal of satellite governments. However, the satellite leaders of East Germany, Czechoslovakia, and Hungary, in deference to peasant opposition, have publicly committed themselves to a "new course" in agriculture, including voluntary withdrawals in Czechoslovakia and Hungary from the "cooperatives." As a result, these two counties have lost ground in their collectivization programs, the greater loss being sustained by Hungary. On the other hand, no steps have been taken by Bulgaria, Poland, or Rumania to permit the peasants to withdraw. Poland, in fact, with only about 21 percent of its arable land socialized (one of the smallest percentages among the satellites), has announced that agricultural collectivization will continue at the same tempo.

14. Peasant opposition to the program of forced collectivization and compulsory deliveries has been the principal deterrent to increased agricultural production. Other major factors contributing to the stagnation in satellite agriculture are the reduction in size and quality of the agricultural labor forces and the low level of investment in agriculture.

Vulnerabilities

15. The rank and file of the satellite communist parties is less reliable from Moscow's point of view than the satellite leadership, although disagreements, personal rivalry and nationalistic tendencies appear to persist within the leadership of the satellites. Confusion, dissension, opportunism and resentment of Soviet domination at the lower and middle levels, while not constituting a threat to Soviet control, are a continuing source of weakness. The compromises with communist ideology which are required for the implementation of Soviet plans are a particularly fertile source of disagreement in the top echelons of government and party.

16. In the economic sphere, achievement of Soviet objectives is hampered by passive resistance of labor, shortages of materials, bureaucratic incompetence, widespread corruption, over-centralization, and differing views at the planning and managerial levels as to the rate of industrialization and collectivization of agriculture. One of the most pressing problems for satellite leaders is the con-

flict between demands of the satellite consumer and requirements of the USSR upon productive capacity. Agricultural production continues to be 15 to 20 percent below prewar levels while average population is 3 percent below the 1938 level. The result is a lower standard of living for most of the people in the satellites.

17. The great majority of people in Eastern Europe, many of whom have been nurtured in an anti-Russian tradition, continue to be nationalistic, anti-Communist, and opposed to Soviet domination. This dissatisfaction is compounded by the loss of personal freedom and the reduced standard of living, as well as by outraged religious and national feelings, but its expression is severely restricted by the controls of the police state. In the case of most of the satellites there are strong cultural ties with the West, particularly in those with predominant Lutheran and Roman Catholic populations. Traditional feelings of friendship for the United States are widespread.

18. In many areas in Eastern Europe there is deeply ingrained in the nature of the people an attitude of resistance to oppressive authority which is one of the obstacles to complete achievement of Soviet objectives. In predominantly Catholic areas the people may resort to informal organization to maintain cohesion of congregations and help will be extended from outside where possible, although such measures will be severely curtailed by the secret police. Among the people there is resentment, hatred, fear, and at times desperate hope for liberation. Most people believe that liberation is impossible without general war, and some would welcome war as the only means of ending Soviet domination. Peasant opposition to forced collectivization and compulsory deliveries is almost universal, and urban workers, contrary to communist doctrine, obey the dictates of the regime only to the extent necessary to remain employed. Although communist efforts to indoctrinate the youth are intensive and may succeed in winning over many of the young people, such indoctrination is never complete. In addition to recurrent "hooliganism" and juvenile delinquency, adulation of Western culture and general skepticism regarding the communist system are widespread among the young people.

19. The questionable political reliability of the satellite armed forces places a significant limitation upon their military usefulness for Soviet purposes. At present the USSR could not rely upon the majority of the satellite armed forces in a general war except for employment in secondary roles or in a defensive capacity. However, against traditional enemies satellite armies would probably fight well, at least if victory appeared likely. Within the ranks of these armies there is widespread apathy towards the communist regime (particularly among enlisted men), a lack of trained leaders,

a very weak *esprit de corps* and a deep resentment of the presence of Soviet officers and the enforced acceptance of Soviet military doctrine. In addition, modern equipment is lacking in most of the arms.

II. METHODS OF DETACHMENT

20. In theory there are various methods whereby the bonds holding a satellite to Moscow might be severed. These bonds are of diverse character and probably become stronger with the passage of time. Immediately after the Soviet occupation of Eastern Europe they were primarily of a politico-military nature and depended in major part on the subservience of local communist parties to Kremlin dictation and on the physical presence of Soviet occupation troops in sufficient numbers to maintain the local communists in power and to frustrate any efforts to effect a political change by force. In the decade which has passed since the end of the war the progressive refashioning of the entire political, social and economic structure of the satellites along Soviet lines, the orientation of the local economics towards the East and the concentrated effort at indoctrination of the rising generation have served further to support Moscow's control over the satellites. Nevertheless, opposition sentiments based on nationalistic feelings, antagonism to communism and the desire for personal freedom are undoubtedly still widespread among the great majority of the population in each satellite.

21. The only example of a country which has successfully severed its connection with the Soviet orbit, after having once been actually incorporated therein, is Yugoslavia, which broke away from Moscow in 1948 after three years' experience as a satellite. In the Yugoslav case the basic motivation was nationalistic. Tito resented the type of absolute control which Moscow was attempting to establish in his country and demanded a measure of independence and freedom of action which Moscow was not prepared to accord. Certain peculiar features of the Yugoslav situation probably both led to the decisions to break with Moscow and assured the success of the withdrawal. Geographically, Yugoslavia was not readily accessible to Soviet military pressure. Soviet troops were not in occupation and the country had a long tradition of resistance to foreign invaders which had been convincingly upheld in World War II. The Yugoslav army was largely the creation of Tito and gave its primary allegiance to him. Apart from these unfavorable factors, the strategic position of Yugoslavia on the Adriatic entailed the threat of Western intervention and the possible outbreak of general war if Moscow resorted to force. In these circumstances it was possible for

the break between Yugoslavia and the Soviet Union to occur without successful counter-action on the part of Moscow.

22. The Yugoslav example, while instructive, cannot be considered as controlling for any of the other European satellites. Each of these other countries is strategically more important to the security of the Soviet Union and Moscow might therefore be expected to react more vigorously to any attempt at withdrawal. Furthermore, the conditions which existed in Yugoslavia were in considerable measure unique and are not duplicated in any of the present satellites.

23. The detachment of a major European satellite might theoretically be accomplished in the following ways, singly or in combination: by negotiation, by internal action, or by external action. With respect to negotiation as a tool for detaching a satellite, the only country to which it might conceivably apply in present circumstances is East Germany. The pursuit of Soviet objectives in Europe since the end of the war has led Moscow in Germany even to forego the chances for influencing developments in West Germany, through the Control Council, rather than to permit the Western allies any access to East Germany or influence over developments in the Soviet Zone. This isolation of the Soviet Zone not only permitted an effective exploitation of the important economic assets of Eastern Germany, but provided a *place d'armes* for maintaining the largest land army in Europe. Politically it has enabled the Soviets to dangle the carrot of reunification before German eyes, with the threat of war and disaster if Germany rearmed in the Western Camp. This policy has in fact kept Germany neutralized until the present time. When, with the conclusion of the EDC treaty in 1952, it became apparent that Western Germany would no longer remain neutralized but would provide a key stone for the Western defense system, the Soviets modified their tactics. Since March 1952 they have offered reunification and withdrawal of occupation troops, provided the West would do the same and in addition agree to strict limitations upon German rearmament and legal neutralization of unified Germany by treaty prohibitions against any participation in a Western defense alliance such as EDC or the present London-Paris accords. One is entitled to question the sincerity of the Soviet offer, although there are several factors which militate in favor of Soviet withdrawal on acceptable terms. The West, however, has not in the past been prepared to pay the Soviet price, and there is no indication that it will be prepared to do so in the near future. This assessment of the present situation does not lose sight of the wider possibilities which might arise to be utilized in the future through the method of negotiation. It may be assumed that a successful basis for negotiating the detachment of one or more of

the satellites would be such strength, cohesion and pressure on the part of the West as would persuade the Soviets that it would seriously threaten their security or prestige if they would not conclude a settlement. It is possible, therefore, when the power and unity of the West are more strongly built up, the conditions may be prepared for undertaking negotiation with the end of detachment in view.

24. The second conceivable method of detachment is by internal action within a given country. It was thus that Yugoslavia withdrew from the Soviet orbit. Withdrawal through internal action might be violent or peaceful in nature. In the latter case, issues must arise between the satellite government and Moscow of sufficient gravity to impel the local Communist leaders to renounce their allegiance to the Kremlin and to face the risks of Soviet retaliation. In the case of areas under Soviet military occupation that retaliation would presumably be immediate and the likelihood of a successful attempt at peaceful withdrawal must be rated minimal. In satellites not under Soviet military occupation, such as Czechoslovakia and Bulgaria, the Kremlin's reaction would presumably be based on its evaluation of the importance of the area concerned to Soviet security versus its estimate of the likelihood of Western intervention in the event that the Soviet Union resorted to force.

25. In view of the mass infiltration of satellite armed forces by Soviet Army officers and Moscow control of the key posts, it is difficult to envisage a situation where the Government leaders of a satellite would attempt to use their forces against Soviet troops in an effort to effect a withdrawal from the orbit. Internal action involving violence would therefore probably result only in the event that resistance forces within the country rose up, seized power and proclaimed their independence from Moscow. Soviet reactions to such a development might be expected to parallel those of an attempted peaceful withdrawal with the condition that they might be stronger if Moscow considered that its prestige were involved. There is no current evidence, however, to justify the expectation of such an uprising in force in any European satellite within the foreseeable future.

26. The third possible method of separating a satellite from the Soviet orbit is by external action. As in the case of internal action, action from without might be peaceful or violent. Peaceful external action would include negotiation, which has already been discussed, or covert support of resistance elements within a satellite. To be an effective contribution toward detachment, such covert support would need to be on a large scale and probably to continue over a very considerable period of time. From a practical standpoint, it is doubtful whether, even if the necessary resistance po-

tential within the area could be shown to exist, support on the necessary scale could long be continued on a covert basis without precipitating strong retaliatory action which in turn would require the intervention of the power providing the covert support if the resistance elements were to be saved from annihilation. Large-scale covert support of resistance elements in these countries is probably tantamount to open hostilities.

27. The final conceivable method of detachment—by violent external action—is perhaps the only one which in present circumstances would be likely to succeed. The dissolution of all the great absolutist empires of modern times—the Czarist, the Hohenzollern, the Hapsburg, the Ottoman, and the Nazi—resulted from defeat or disaster in general war. If a Western coalition were to be victorious in a war with the Soviet Union, the detachment of the European satellites and the restoration of their independence would presumably be one of its first acts. It is highly unlikely, however, that any combination of Western powers would deliberately embark on a war with the Soviet Union to achieve this result.

III. CAPABILITIES

28. The capabilities of the United States to achieve the detachment of a satellite by any of the methods outlined in Section II are demonstrably limited. This section examines those capabilities which might be required should the U.S. resort to action along any of these lines.

29. With respect to the variant of detachment by negotiation, Moscow now holds the highest card—physical possession, generally backed up by military force in occupation. If one were to attempt to negotiate the detachment of a satellite—and Moscow has only ambiguously indicated that East Germany might be a subject of negotiation—one must be prepared to deal with the terms offered. The principles of a settlement so far held out by Moscow are clear: withdrawal of occupation troops, neutralization of Germany and reunification on Soviet terms which would prevent any German participation in Western defense arrangements. The history of the past nine years, and more particularly the agreements reached at London and Paris,[4] provide convincing evidence of Western refusal to pay this price. On the other hand, there is no indication that the terms offered by the West, namely, a solution of the German problem by withdrawal of occupation forces and free elections, is acceptable at the present time to the Soviets.

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[4]Reference is to the London Nine- and Four-Power Conferences, Sept. 28–Oct. 3, and Paris Nine- and Four-Power Conferences, Oct. 4–14, 1953; for documentation, see vol. v, Part 2, pp. 1294 ff., and 1404 ff., respectively.

30. The persistence with which the Soviet Union has pressed its offer, however, may perhaps be interpreted as something more than a desire to extend its influence to Western Germany or to prevent the participation of German manpower in Western European defense arrangements. There are certain disadvantages in the Soviet position in East Germany. Berlin, a Western outpost and observation point in the heart of Soviet controlled territory, is a constant irritant. It provides a relatively open door to escape and has inhibited application of the types of security and control measures which are normal in Soviet jurisdiction. This in turn has both encouraged the overt expression of resistance, as witness the June 17, 1953 uprising, and hampered the development of reliable Soviet security forces to deal with such a situation. Furthermore, contact with the higher living standards of the East German population has been a source of disaffection among Soviet occupation troops and a cause of concern to Red Army political officers and presumably to their superiors in Moscow.

31. If this is an accurate analysis the question arises whether the special situation of Berlin with respect to the Soviet position in East Germany might not constitute a factor conducive to negotiation. The negotiating power of the United States and its Allies lies in a steady accretion of Western strength. The London-Paris protocols provide for the continued presence of Allied forces in Germany and for German rearmament and permit a review of the whole situation at any time with the possibility of agreed measures looking toward reunification. The United States and Allies do not consequently need to accept any Soviet offer on Germany unless it represents a solution substantially on Western terms. The terms which the Soviets have offered until now reveal no evidence that the disadvantages for them of the Berlin situation constitute a factor of such importance that they are prepared at this time to make any such concession. Nor is the United States likely to make significant concessions on other items of major interest to Moscow: relinquishment of overseas military bases, renunciation of use of nuclear weapons, removal of barriers to trade in strategic items. In these circumstances, there appears no reason to believe that the United States is currently in a position to achieve the detachment of Eastern Germany through processes of negotiation.

32. The second method of detachment—by internal action, whether peaceful or violent, within a satellite—places heavy demands on U.S. capabilities. If the action is to be peaceful, it requires an issue between Moscow and the satellite of such intensity as to impel the satellite leadership to accept the heavy odds against success for any group under Soviet jurisdiction which challenges the authority of the Kremlin. The issue need not necessarily be of

basic importance, but it must be so dramatic as to solidify the country behind its leadership. Given the contempt in which the leaders are held in the various satellites, it is difficult to imagine as issue on which they would dare to risk a break with Moscow. Moscow has followed a deliberate policy of "collective leadership" and of encouraging rivalry among the leaders of each satellite with the result that no single leader has absolute control over the government and party apparatus or any reasonable hope of rallying popular support. The odds against success are even greater in those satellites in which Soviet forces are still in occupation. That the United States could provide an issue which would lead to a break or, should such an issue arise, be able to exploit it to the point of combustion, is, to put it conservatively, unlikely. In the event such as issue should arise, however, the forces opposed to Moscow would be much more likely to act if they could receive assurances of moral and material support from the West. Promises of moral and economic support might be forthcoming, but the suggestion that military support be provided would inevitably incur strong opposition both at home and abroad on the grounds that it would entail the risk of total war. The United States would again hold the key to the successful action, and under current policy would clearly not be prepared to take the risks inherent in such a situation.

33. Violent detachment from within requires a well-developed resistance organization such as currently does not exist in any one of the satellites. The development of such organizations, even if U.S. support capabilities were substantially greater than their present level, would present a very difficult problem in the face of the extent and effectiveness of Soviet security precautions. The conditions for the emergence of resistance groups which can constitute any serious threat to the regime are: (1) the deterioration of the internal situation to the point where the internal security forces have difficulty in maintaining control, and (2) a marked increase in U.S. capabilities to provide logistic support. Neither of these conditions is presently likely of realization.

34. In the event, contrary to current expectations, a resistance organization with serious potential should develop in any of the satellites, the United States would be faced with the same decisions as in the case of an attempt at peaceful detachment from within. It would not wish to take the responsibility for setting resistance in motion unless it was prepared to provide military support in the face of Soviet armed intervention. [U.S. covert capabilities for

action against the Soviet satellites are the subject of a separate submission.][5]

35. Since the United States does not contemplate resort to general war as a means for detaching Eastern European satellites, no effort is made in this paper to discuss U.S. military capabilities vis-à-vis the USSR.

IV. CONCLUSIONS

36. The Soviet orbit has vulnerabilities which are susceptible to exploitation by the United States. The foregoing analysis leads to the conclusion that these vulnerabilities are not sufficiently critical to support a reasonable expectation that any satellite can be successfully detached under existing circumstances, given the strength of the Soviet position and the limited capabilities of the United States for such action. Two detailed studies of individual satellites which have been taken as examples—East Germany as a possible subject for diplomatic negotiation and Czechoslovakia as a possible subject for detachment by other means—are attached as annexes. While any of the other satellites could have been chosen for illustrative purposes, Czechoslovakia was selected because of the particular strength of the Western tradition in that country, its accessibility on the border of the German Federal Republic to Western influence, and the absence from the area of Soviet military units.

37. Unless the power balance between the United States and the Soviet Union changes drastically in our favor, there is little likelihood of detaching a major satellite at any time without grave risk of war except by negotiation. The only satellite which now lends itself to possible detachment by this means is East Germany. If an effort against this satellite were to be undertaken with any hope of success it would require a concentration of political, economic and psychological measures directed to this end. Without suggesting that efforts against other satellite regimes should be diminished the Working Group believes that under present conditions East Germany is the obvious target for the following reasons:

a. It is the satellite which may be most susceptible to detachment by negotiation in connection with future developments.

b. It is the area against which the U.S. and the West in general is in a position to bring the strongest total pressure.

c. It is the area in which the least progress has been made in establishing communist institutions.

d. Western Germany could make a major contribution to such an operation.

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[5]Brackets in the source text; no separate submission on this subject has been found in Department of State files.

e. It would create conditions permitting the reunification of Germany.

f. The possibility of reunification would prevent the isolation of East Germany.

g. Detachment of East Germany might well produce a chain reaction throughout the Soviet orbit.

38. A second point on which the Working Group desires to express its views concerns the policy which can contribute most to the advancement of U.S. objectives in situations where a satellite regime is suffering setbacks and faces serious internal problems. The present situation in Hungary is a case in point. In such circumstances the U.S. has a choice: it may pursue a tougher policy, stepping up harassing measures in the hope of intensifying the difficulties of the regime, or it may seek to take advantage of a moment of relative weakness to relax pressures in order to obtain concessions to the interest of the free world. Without attempting to be categorical, it is the view of the Working Group that soft treatment cannot be expected to effect the basic changes in the nature of communist regimes which would conform to U.S. objectives, and that therefore, except when relaxations are calculated to obtain carefully defined limited objectives within a short time span or to protect the people against the regime under special circumstances of internal tension, pressures should be increased against any part of the Soviet orbit where suitable opportunities appear. Only by maintaining a firm position based on strength can the U.S. preserve the balance which is essential to prevent war and hope to exploit to its advantage Soviet weaknesses as they develop.

[Here follows Annex B, a paper prepared by the OCB Working Group on NSC 174 dealing with Czechoslovakia.]

No. 62

OCB files, lot 61 D 385, "Preliminary OCB Minutes I"

Minutes of the Meeting of the Operations Coordinating Board, January 5, 1955

SECRET

[Here follows item 1, noting that the previous minutes were approved.]

Item 2. Special Analysis with Respect to Satellite Areas—NSC 174

Mr. Staats gave a rather full introduction to this paper,[1] pointing out its genesis and stating that copies had been made available

[1]Reference is to the paper prepared by the OCB Working Group, *supra*.

to the Planning Board Members through the Board Assistants and drawing the Board's attention to the conclusions on pages 15 and 25.[2]

General Cutler stated that the purpose of the working group was to study the possibility and feasibility of detaching a satellite. The conclusions 4a and 4b are responsive to the terms of reference but 4c deals with making a concentrated effort with a view at some future time to detaching East Germany; that this is not within the charter of the working group; that with reference to East Germany one really means "unification" and not "detachment". General Cutler went on to say that Paragraph 5 is an expression of an opinion by the working group on a matter which is really one of high policy. He said this opinion was neither consistent nor inconsistent with the NSC policy which had just been adopted this morning. It was General Cutler's feeling that certainly the working group should not deal with this policy question and he doubted whether the OCB itself should deal with such a policy question. In summary, General Cutler said he felt that 4a and 4b were acceptable, that 4c should be referred to the "committee" about which he had informed the OCB at luncheon[3] and that paragraph 5 should be dropped.

Mr. Anderson remarked that perhaps paragraph 5 would be a natural task for the Presidential committee which General Cutler had mentioned.

Mr. Hoover stated that he understood that the last sentence of paragraph 4c had been added after the paper had been considered by the working group and by the Board Assistants and that it was not agreed to by anyone. He suggested that the sentence be changed to call for a study to be made.

General Cutler said that he liked the change which the Department of State had suggested but he still felt that the "committee" should handle this item.

At this point, Mr. Dulles said that CIA is continually needing guidance on this question of "soft" versus "provocative" courses of action. He added that he for one believed that Czechoslovakia would never have been lost if someone had been there doing something about it. . . . He emphasized that the so-called completely "soft" policy is subject to misinterpretation and we are apt to lapse into a do nothing policy.

General Cutler remarked that he still did not like paragraph 5.

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[2]Reference is to the conclusions of the analysis, *supra*, and to the conclusions of Annex A, printed in vol. VII, Part 2, p. 1707.

[3]Reference has not been further identified.

Mr. Hoover suggested one or two minor drafting changes in paragraph 5 which were discussed briefly. Following this, Mr. Stassen stated that it is not OCB which is expressing this opinion but it is merely the working group and that the working group, contrary to what General Cutler had said, was not outside its terms of reference in making such a suggestion. He said he felt that OCB should encourage rather than discourage the working groups to make such suggestions. Stassen pointed out that the Board was only asked to concur in 4a, 4b and 4c and that 5 remained merely the view of the working group.

Mr. Dulles then suggested that paragraph 5 be taken out of the summary and left in the paper as it now is in paragraph 38. General Cutler thought that paragraph 4c should be referred to the Presidential committee when it is appointed.

It was finally agreed that paragraph 5 would be put in as paragraph 4, ahead of recommendations in which the Board is asked to concur. This was generally accepted.[4]

[Here follows a status report on various subjects by the Executive Officer of the Operations Coordinating Board.]

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[4]Subject to the changes prescribed at this meeting, the "Analysis" was approved and issued by the OCB on Jan. 5, 1955.

UNITED STATES SUPPORT OF REFUGEES AND ESCAPEES FROM EASTERN EUROPE; THE PRESIDENT'S ESCAPEE PROGRAM; THE VOLUNTEER FREEDOM CORPS; OTHER EXILE GROUPS

No. 63

PSB files, lot 62 D 333, PSB D-18 Series

Paper Prepared by the Psychological Strategy Board Panel on the Escapee Program[1]

TOP SECRET
PSB D-18/a

WASHINGTON, December 20, 1951.

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[1]In addition to the paper and annex printed here, PSB D-18/a included a cover sheet on which it was noted that the PSB approved this guidance paper at its sixth meeting on Dec. 20. The code name for this operation was Engross; PSB D-18/a was Phase A of this plan.

Psychological Operations Plan for Soviet Orbit Escapees

SECTION I

PROBLEM

To determine the best means under existing policy to employ, resettle, and care for current escapees from the Soviet orbit or its control.[2]

SECTION II

PURPOSE OF THE STUDY

1. At its fourth meeting the Psychological Strategy Board took the action set forth in Annex 1.

2. Pursuant to the Board's direction, a panel was established on November 2, consisting of representatives of Department of State, the Office of the Secretary of Defense, the NATO Standing Group, the Joint Chiefs of Staff, Departments of the Army, Navy and Air Force, CIA, the Mutual Security Agency, and the Bureau of the Budget. The Assistant Director of PSB's Office of Coordination acted as steering member.

3. In the light of the initial panel discussion, the PSB staff determined that the total problem, which the Board had considered, must be separated into two parts, each of which required separate study.[3] These separate studies are:

a. A study to determine the best means, under existing policy, to employ, resettle, and care for current escapees from the Soviet orbit.

b. In the light of national psychological strategy, to evaluate all existing policies and programs and to make recommendations for new policies and programs, ...

It was further determined that an issue to be covered in the course of both of these studies is the extent to which it will be desirable and necessary for the Board to recommend recourse to the hundred million dollars, authorized for expenditure for these purposes from MSA funds under the so-called Kersten Amendment to the Mutual Security Act of 1951.[4]

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[2]For the purpose of this paper, escapees are those persons from the territory or control of the USSR, the Baltic States, Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, and Albania, who escape into Western Europe, ranging from Turkey to Sweden. East Germans, Chinese, and ethnic expellees, such as Turks and Greeks, are not included. [Footnote in the source text.]

[3][Footnote in the source text deleted.]

[4]Reference is to Section 101 (a)(1) of the Mutual Security Act of 1951, P. L. 82-165 (65 Stat. 373), Oct. 10, 1951.

4. The report which follows deals with the first of these two studies. It sets forth what is known of the character and numbers of current escapees. It describes existing programs and facilities for their employment and handling, and it recommends action to be taken to improve their treatment.

5. The second of the two problems will be considered concurrent with further progress in the formulation of a strategic concept and plans which should provide a framework of requirements for the use of escapees and of persons residing behind the Iron Curtain.

SECTION III

STATEMENT OF FACTS

Dimensions of the Escapee Problem

1. The number of escapees to be handled during the calendar year 1952 is estimated for the purposes of this study at 18,000. Included in this number are 12,000 persons who fled the Soviet orbit from 1945 to 1951 and for whom no previous disposition has been made. Based on the flow during 1951, it is estimated that 6,000 more will cross the Curtain during 1952. Although this number is considered reasonable for planning purposes, it might increase during 1952, as a result of: (1) the psychological effect of better handling; (2) a more favorable power position of the West in relation to the USSR; . . . .

2. In order of importance, the existing points of escape have been and presumably will continue to be Western Germany, Berlin, Western Austria, Trieste and Greece. Sixty-five percent or more of these escapees will, on the basis of past experience, come across into Western Germany and Western Austria.

Existing Facilities for Handling of Escapees

3. *Inter-government Migration Programs.*

a. In November a Provisional Committee for the Movement of Migrants from Europe was established in Brussels. This Committee intends to arrange the resettlement of 115,000 migrants and for this purpose will utilize the 15 ships converted for migration purposes by the IRO.[5] Although principally concerned with the problem of alleviating surplus populations in Europe, the Committee's charter is broad enough to provide for movement overseas of Soviet orbit escapees. However, the Committee will probably concern

[5]The International Refugee Organization, which since the end of World War II has been the agency primarily responsible for the handling of refugees, will cease to exist not later than the end of February, 1952. The IRO was established for the purpose of care and resettlement of those persons displaced by the war, but also helped with escapees. Fourteen out of every fifteen refugees were handled, including several thousand escapees. Of the 100,000 refugees not yet resettled, 12,000 are escapees from the Soviet orbit. [Footnote in the source text.]

itself only with escapees who are capable of resettlement, and it is not expected that escapees who are of lesser interest for reasons of security, political background, health, language, or lack of required skills will be migrated under the program. None the less, since the U.S. has contributed ten million dollars to the Committee's thirty-four million dollar budget, and since the Director of the Committee will probably be a citizen of the United States, it is likely that the Department of State can influence the Committee's action in directions which will assist in solving escapee problems.

Assuming that support of the Migrant Committee envisaged in this study is effected, it is estimated that during 1952, in conjunction with other programs, 14,000 of the 18,000 escapees will be resettled under the program.

4. *Assistance by European Governments and Absorption into Local Economies.*

a. Virtually all escapees pass, at one time or another, through existing camps and/or hospitals maintained by Western European governments or U.S. public and private organizations. These facilities are generally inadequate and morale is low. While the majority of persons entering these camps are ultimately absorbed, about 400 per year can not for reasons of health, age and security be adequately disposed of. Present handling of this group is entirely inadequate.

b. In addition, approximately 1200 escapees each year are absorbed into the economies of local Western European countries. These individuals usually have special skills, knowledge of language and often have relatives in Western Europe. Some of them are absorbed after a period of training and indoctrination.

5. *Capabilities of the United States Voluntary Agencies.*

a. Fifteen United States private organizations contribute several million dollars annually to the relief and welfare of displaced persons and refugees. Much of this has been carried out by Jewish, Catholic and other religious welfare organizations. All private United States organizations in 1951 spent approximately 3½ million dollars for the care and resettlement of approximately 6,000 escapees. These private organizations received considerable assistance through the facilities of the IRO, which will be replaced in part by the Committee formed at Brussels. It is estimated that the private organizations with existing funds and facilities could significantly aid in the care and resettlement of 5,000 escapees during 1952.

6. *Exploitation by United States Government.*

. . . . . .

c. *Lodge Bill:* The Lodge Bill passed in 1950[6] and amended in 1951 authorizes the enlistment in the United States Army of 12,500

[6]Reference is to the Alien Enlistment Act of 1950, P. L. 81–597 (64 Stat. 316), June 30, 1950.

unmarried aliens. During 1950, no escapees were enlisted. During 1951, 113 had been enlisted, 97 of whom are presently training in the United States. Four thousand escapees have applied for enlistment and of these 1500 are in the process of security screening. Under the program as it is now being administered by the Army, it is unlikely that a significant number of the 18,000 escapees will be enlisted in the United States Army during 1952.

7. *Other Capabilities of the U.S. Government.*

Under the Mutual Security Act in the Kersten Amendment, Congress authorized $100,000,000 which can be drawn upon for utilization in the problem of escapees. Congress apparently intended that these funds should be used primarily for training and equipping escapee forces to be added to NATO, rather than for the care of escapees. However, the authorization is sufficiently broad to permit the utilization of a portion of these funds for the latter purpose in the implementation of the program contemplated in this study. MSA and the Department of Defense may feel that this authorization is in fact a requirement for the use of some of these funds for the first purpose and it will be recommended that programs of this character be considered in the second PSB study.

[SECTION IV]

DISCUSSION AND CONCLUSIONS

1. It is estimated that some 13–15,000 escapees can be resettled through the Migrant Committee aggressively encouraged by the U.S. and with maximum support of voluntary agencies. Some 2,000–2,500 can be absorbed into the indigenous facilities of Europe; the Lodge Bill, while it will, under present programs, absorb less than 300, has a considerably larger authorization. . . . While it is recognized that these programs can only satisfy those requirements if they are fully coordinated, adequately financed, and aggressively administered, it is apparent that the programs are capable of absorbing the expected flow of escapees.

2. While it is possible that the psychological effect of adequate handling of these escapees will increase the flow, it is equally likely the Communists will increase the severity of repressive measures and that this will reduce the rate of escape. However, if the flow should increase there is sufficient flexibility in the programs envisaged above to absorb some increase if they are carried out as recommended. It is therefore concluded that there is little risk that these programs will require extensive modifications or great expansion during the foreseeable future.

3. It is concluded, therefore, that the main problem to be solved in connection with escapees are those of organization, control, financing, administration and coordination. Despite the existence of

IRO, there has never been an international or national or private organization with the authority and capacity to deal with the escapee problem as a whole. With the end of IRO and the expansion of U.S. . . . programs, the establishment of an adequate agency with such authority has become critical. It is clearly necessary to center the total coordinating and administrative responsibility in one organization and provide it with the authority and funds necessary to carry out the job.

4. Such an organization should be capable of insuring or arranging the employment, resettlement, or care of all escapees from the Soviet orbit who are not otherwise used and at the same time should be capable of providing certain necessary services to assist U.S. operating programs. It should be capable of rapid creation and should be insured of the necessary funds and an experienced staff.

5. Specifically, this program should be responsible for:

a. *Cooperation with foreign governments to assist them in the collection and registration of escapees.* All escapees should be grouped and maintained in suitable government reception centers. U.S. Government officials should assist in the registration and allocation of escapees, for the purposes of insuring maximum migration and local absorption and in order to screen all qualified escapees for placement in U.S. operational programs. European governments will cooperate with U.S. officials in these efforts because they are anxious to have the escapees disposed of.

b. *Arrangements for the provision of supplemental care and maintenance.* Provision of immediate and interim care and maintenance at the present inadequate and minimum level carried out by local governments should continue. However, in order to raise the standards of this care to adequate levels an average of 150 per annum must be provided by the U.S. program. Officials administering the program should provide necessary coordination of U.S. private refugee organizations to insure maximum supplemental care from those sources in the form of additional food, clothing, medical supplies, legal advice and other material assistance to give escapees best possible care.

c. *Arrangements to use available funds for part of overseas transportation costs of the ships provided by the Migrant Committee.* The cost of emigration transportation for the majority of individuals under the Migrant Committee program will normally be charged to the receiving governments. In order to insure the handling of a maximum number of escapees, however, the escapee program should provide for the subsidization of a major part of the transportation costs for escapees.

It is considered that if the program provided three-fourths of this cost, sufficient inducement would be provided so that the receiving governments would give special consideration to accepting escapees on a priority basis. Full cooperation of private organizations in the refugee field should be sought to the end that they finance the transportation of as many escapees as possible with their own funds. It is important that the escapee program arrange the neces-

sary screening of skills and job qualifications and other processing steps connected with resettlement so that qualified escapees can be brought to the attention of receiving governments as rapidly as possible.

d. *Provide special consideration to insure the adequate care and employment of escapees who cannot be migrated.* This is the responsibility of the local governments. However, special assistance will be required in situations which the local governments are not handling adequately. U.S. counterpart funds will be required as an added inducement for the local governments to absorb escapees into their own economies. Private refugee organizations should also be persuaded to give special consideration to those cases for which they have special qualifications, such as escapees requiring hospitalization and old age care. There will also be a group of escapees involving criminals and political security cases who will have to be given special attention under this program in order to avoid undesirable psychological repercussions. These people will not be capable of normal migration nor will they be welcomed by the local economies.

6. Excluding the cost of programs for direct U.S. Government use of escapees (such as the Lodge Bill) and excluding the cost of care provided by local governments, it is estimated that the remaining expenses to care for and resettle escapees in 1952 will be approximately $7,200,000. This budget is admittedly generous and provides for considerably better care than has been provided by IRO. The budget breakdown is as follows: (a) $3,500,000 for inland and overseas transportation; (b) $2,700,000 for care and maintenance in Europe; (c) $1,000,000 for administrative expenses. This would provide for care and maintenance at a standard of living equal to the particular Western European country to which the escape is made. It would also provide for the full cost of transportation for those escapees who are migrated.

[Here follows numbered paragraph 7, a four-page discussion of which agencies or organizations could best administer the escapee program.]

SECTION V

RECOMMENDATIONS

1. It is recommended that the Psychological Strategy Board:

a. Request the State Department:

(1) To accept the responsibility of administering the escapee program outlined in this study.

(2) To develop and put into effect as a matter of urgency an operational plan under which the functions set forth in Section IV, paragraph 5 will be carried out. Among other actions this plan should provide for:

(a) The necessary administrative action, both in Washington and in the field.
(b) Coordination with other U.S. Government departments and agencies to insure that adequate facilities are provided for the screening of all escapees for employment in the several U.S. psychological, operational or intelligence programs.
(c) Periodic reports to the PSB on the implementation of this program.[7]

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c. Request the Department of Defense:

(1) To request the Department of the Army to liberalize the conditions under which escapees may be recruited under the authorization of the Lodge Bill and to take all feasible steps to expand such recruiting.

d. Request the Mutual Security Agency:

(1) To cooperate with the Department of State in planning and programming for the necessary use of an estimated $2 million of counterpart and GARIOA funds.
(2) To provide an estimated $4,300,000 of the funds authorized by the Kersten Amendment for utilization in effecting the implementation of the escapee program.

e. Request the Director of the PSB:

(1) To insure that arrangements be made under which the necessary interdepartmental coordination of this program will be effected.
(2) To undertake the continuing evaluation of the effectiveness of this program as a matter of national psychological interest.
(3) To continue with the immediate preparation of the additional studies and recommendations authorized in the 4th meeting of the PSB.

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[7]By letter of Dec. 28, the Director of the PSB, Gordon Gray, formally requested that Secretary Acheson, on behalf of the Department of State, accept the responsibility recommended in the preceding paragraphs. In a reply of Jan. 23 to Raymond Allen, who had replaced Gray as Director at the beginning of the year, Webb assented to the request. (PSB files, lot 62 D 333, PSB D–18 Series)

Annex I

Paper Prepared by the Psychological Strategy Board

ACTION OF PSB ON OCTOBER 25, 1951, REGARDING DEFECTORS, REFUGEES AND POTENTIAL GUERRILLAS FROM AND IN THE SOVIET ORBIT

At its fourth meeting, PSB took the following action:

"*Action:* In view of the importance to psychological strategic and operational planning . . . of arranging for the care of escapees from the Iron Curtain countries and of developing a program or programs therefor, and methods of financing the same, with minimum confusion and waste-time, the Board approved the following actions, proposed by Mr. Webb:

"(1) That the Psychological Strategy Board call a joint meeting of all agencies concerned . . . for the purpose of considering what, if any, concrete projects and programs might be undertaken by the United States Government with respect to such defectors, refugees and potential guerrillas if funds therefor were available.

"(2) That the Psychological Strategy Board provide a steering member to a panel which is directed (a) to consider what, if any, projects and programs of the foregoing character might further national strategic objectives; (b) to monitor the development of specific projects and programs that meet this requirement; (c) to coordinate any such project or program with national strategic objectives; and (d) to consider all possible sources for the financing thereof.

"(3) In the event that the studies contemplated under (2) above should indicate that certain specific programs and projects having merit cannot be financed without recourse to section 101(a) of the Mutual Security Act of 1951, that the Psychological Strategy Board or such of its constituent agencies as may be primarily involved submit such projects and programs for the consideration of the Director of Mutual Security".

No. 64

760.00/1-3152: Circular telegram

The Secretary of State to Certain Diplomatic and Consular Offices[1]

TOP SECRET WASHINGTON, January 31, 1952—6:06 p. m.

676. Re Depcirtel 363 Oct 18.[2] Psychological Strategy Board (PSB) has recently worked out and approved a special program[3] de-

[1] Drafted by Dawson and cleared in PSB, EE, R, GER, S/MSA, UNA/R, WE, P, and UNI. Sent to all the major European diplomatic posts.

[2] Not printed. (760.00/10-1851)

[3] Reference is to PSB D-18/a, Dec. 20, 1951, *supra*.

signed secure improved methods and standards reception and interim care and maintenance Iron Curtain escapees, and to facilitate resettlement of maximum nr in other countries. (Board consists Under Secretaries State and Defense, Director CIA and Director PSB). In working out program all constituent agencies of Board recognized importance securing adequate treatment and disposition in free world of Iron Curtain escapees and that failure do so cld jeopardize critical US efforts against satellites and Sov Union.

On basis statistics recd from US Missions concerned areas program computed for estimated 6,000 new escapees forthcoming year in Ger, Aust, Ital, Trieste, Grk and Turk plus accumulation 12,000 already on hand those areas who escaped subsequent to Jan 1, 1948. These nrs do not include Ger refugees, Turk ethnics expelled from Bulg, Grk ethnics expelled from Rumania, Yugo refugees from Yugo or residual IRO or ex-enemy DPs as distinct from recent Iron Curtain escapees.

Adequate budget recommended to implement above program rests primarily on dollar and counterpart funds which have been requested of Mutual Security Agency (MSA) but also includes certain expected funds or services from Provisional Intergovernmental Comite for Movement of Migrants for Eur (PICMME) and private agencies. Direction and coordination of program in appropriate consultation with other govts, including control of expenditure funds wld rest in US hands. Broad functions envisaged as fols:

(a) Collection registration identification new arrivals in special centers;

(b) Supplemental care and maintenance to augment basic care and maintenance provided by local auths;

(c) Special assistance in preselection, processing and meeting transportation costs of resettlement refugees as measure secure their priority selection by missions immigrant receiving countries.

. . . . . .

Responsibility admin program and estab suitable organizational arrangements in Wash and in concerned countries abroad has been assigned to and accepted by Dept, contingent upon provision of necessary funds for program. Final decision re funds not yet taken but expected soon and no serious difficulties anticipated.

Missions will be advised urgently further developments as they occur.

ACHESON

No. 65

PSB files, lot 62 D 333, PSB D-18 Series

Memorandum of Conversation, by John Sherman of the Psychological Strategy Board[1]

SECRET WASHINGTON, February 26, 1952.

Subject: Meeting in Office of Mr. Charles Murphy, Special Assistant to the President, on matters relating to Soviet Orbit Escapees

1. The meeting was attended by members of the White House staff, the three Displaced Persons Commissioners, Mr. Berger of DMS, and representatives from State, Defense, CIA, Justice, PSB, and the Bureau of the Budget.

2. The meeting had apparently been inspired by Mr. Berger, who described the PSB Phase A Plan[2] briefly and stated that the main problem was whether Mr. Harriman should transfer the 4.3 million dollars to State to support a "welfare program". He stated that MSA had no questions as to the legality of the transfer, but felt that it should not be made until after the Administration's position had been determined on the formation of escapee military units—the main purpose of the Kersten Rider. A great deal of discussion ensued during which all three Displaced Persons Commissioners stated their view that something must be done immediately to provide care and maintenance, as well as resettlement, for all persons escaping from the Iron Curtain. They stressed that the Administration will be vigorously attacked unless it can demonstrate it has done something about this problem. Mr. Berger indicated that after all they had had this before them for only two or three weeks. It was pointed out, however, that the Psychological Strategy Board had approved this program and had recommended to MSA the transfer of funds on December 20.

3. The main points developed thereafter were: (Mr. Berger left the meeting during the early part of this discussion.)

(a) There will be loud and vigorous criticism of the Administration by some Congressmen no matter what action is taken. There was unanimous sentiment among those present that the Administration should not wait for further expression of Congressional opinion on Phase A.

(b) The Defense representative indicated that reports would be submitted to the Secretary's office by the three services on the

[1]According to an account by Laurence A. Dawson of the Refugees and Displaced Persons Staff of the Department of State, the meeting described here took place on Feb. 25. (PSB files, lot 62 D 333, PSB D-18 Series)

[2]Document 63.

purely military aspects of organizing escapee military units about March 1. He felt that the Secretary of Defense might be prepared to state a Defense position on the military aspects of this problem by early April.[3] He stated that this would be submitted to the Psychological Strategy Board and then to NSC, and indicated that before a final decision could be made, the very important political decisions involved would have to be determined.

(c) There was unanimous agreement that action can be taken on Phase A without waiting for a decision on the question of forming military units with escapees. Commissioner O'Connor stated that he had worked very closely with Congressman Kersten and that he was certain the Congressman considered the Phase A Program to be consistent with the intent of his Amendment. Commissioner Rosenfield stated that the successful implementation of a care and maintenance program was an indispensable prerequisite to any progress . . . involving people escaping from the Soviet Orbit; that although he had not seen the PSB Phase A Program, he urged that it be put into effect since it had the support of State Department and CIA.

. . . . . .

(e) Mr. Murphy closed the meeting with a statement that it looked as though the next thing required was for him to see the President.

4. It was felt by those representatives of the member agencies on the Board who attended the meeting that considerable progress was made. However, it was felt that some further steps may need to be taken to insure that the President speaks to Mr. Harriman and asks him to transfer the necessary funds to implement the program.[4]

JOHN SHERMAN

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[3]No statement of the Department of Defense position by the Secretary of Defense on this question has been found in Department of State files; for the plan submitted to the PSB by the Joint Chiefs of Staff, Mar. 17, concerning the formation of escapee military units, see *infra*.

[4]According to Webb's notes on the PSB luncheon meeting of Feb. 28, it was reported by Allen that Harriman was "not inclined to allocate MSA funds for the escapee program." (100.4 PSB/2-2852) No record of any discussion between Harriman and President Truman on this subject has been found in the Department of State files, but Harriman formally recommended the allocation of $4.3 million for the Escapee Program from Mutual Security funds in a letter of Mar. 20 to the President. (Truman Library, White House Central Files, "Mutual Defense and Security") In a letter of Mar. 22 to various members of Congress, President Truman announced the Escapee Program. (Department of State *Bulletin*, Apr. 14, 1952, p. 602)

No. 66

760.00/3-2752

Memorandum by the Deputy Chief of the Joint Subsidiary Plans Division, Joint Chiefs of Staff (Hopkins), to the Psychological Strategy Board[1]

TOP SECRET [WASHINGTON,] March 17, 1952.
SPDM-93-52

PROGRAM FOR EXPLOITATION AND UTILIZATION OF ESCAPEES

1. The preliminary plan provides for the formation of military elements in implementation of the so-called "Kersten Amendment".[2] The plan is concerned with the formation of selected persons from Soviet Bloc countries and regions into military elements in support of U.S. military forces which are affiliated with the North Atlantic Treaty Organization. It sets forth a phased program to recruit, organize, train and utilize escapees, and establishes basic guidance for these activities over the first three years of a program, beginning 1 July 1952. Certain preliminary activities required for its detailed implementation are reflected by the plan.

2. a. Initial reception, subsequent care and ultimate provision for refugees in Europe are activities of private organizations operating under the aegis of the State Department, and this is established as a pattern of U.S. activity by PSB D-18/a.[3] The preliminary plan envisages a military program, in cooperation with the basic effort undertaken by such private organizations, whereby military recruitment may be publicized, volunteers removed, and, as required, returned to those organizations when not selected for service in the military program.

b. All volunteers selected for military service, except for those individuals who are otherwise suitably qualified, will complete six months' basic training. For this purpose, volunteers will be organized in light infantry regiments. Such units will be formed as phased personnel increments. Under the program, one new regiment is envisaged to begin basic training each month during the first six months of activity, starting 1 July 1952. Beginning 1 January 1953, it is envisaged one new training regiment will be activated each three weeks through the duration of the program, so that

[1]Attached to a memorandum from Hopkins to Godel (PSB) which noted that the paper had not been coordinated with Hopkins' military colleagues due to the urgency of its consideration by the PSB Panel.

[2]Reference is to Section 101(a)(1) of the Mutual Security Act of 1951, P.L. 82-165 (65 Stat. 373), Oct. 10, 1951.

[3]Document 63.

the final regiment will begin training on 30 June 1955. At that time the plan envisages that approximately 60,000 escapee-volunteers will have been entered in the program.

c. Upon completion of basic training, volunteers will be assigned to the commands in Europe under the Joint Chiefs of Staff and other U.S. agencies in Europe, either for further training and organization or for immediate employment. As a result of basic training it is considered that such units will have a capability as labor or service units, with only limited capability as combat forces. It is envisaged that military units to be formed and organized after basic individual training is completed possibly may be developed into diverse, combat worthy elements. Thus, being considered are:

(1) Air Force—National squadrons and wings
(2) Navy—Minesweeper or other small craft units
(3) Army—Regimental combat teams and combat and service support units, including engineer and signal units

. . . . . .

d. Type of organization and scope of extended training subsequent to completion of basic training will be conditioned by the nature of employment for which the units are destined, and this in turn will be determined by the objectives to be attained by the program. Employment of the military elements to be formed either as combat or combat support type units will require advanced training. Similarly, specialized training will be required to permit utilization of such personnel for other distinctive roles and missions. It is estimated that six months of such training will produce qualified individuals and units for many important and useful tasks. It is considered that specific needs and objectives of the military Services will determine the training, organization and employment of the basically-trained personnel allocated to them. Regardless of the nature of the organization it appears that the troop ceilings of commands in Europe under the Joint Chiefs of Staff would have to be increased. If the activities envisaged by the plan are undertaken without appropriate increase in troop ceilings, there will be established requirements which can be met only at the expense of existing programs and commitments. Accordingly, appropriate increases in the ceilings of the military services may have to be authorized.

e. Build-up of commands in Europe under the Joint Chiefs of Staff with appropriate U.S. elements is proposed, as may be required to enable employment of escapee-volunteer units. Such augmentation will be conditioned by requirements for support of the military elements to be formed and in consideration of current U.S. capabilities for such support.

3. a. Estimated direct costs of the program proposed by the plan include:

	FY 1952	*FY 1953*
Total	$6,431,020	$41,951,420

4. It is important to note that none of the matériel requirements reflected by this plan have been programmed and that no funds have been reported or allocated in this matter. It is considered likely that, if approved, implementation of the plan would require supplemental funds during FY 1953. This consideration is dictated by a possible measure of success of the program, entailing an acceleration of U.S. efforts in its development and exploitation.

[Tab A]

Memorandum by the Deputy Chief of the Joint Subsidiary Plans Division, Joint Chiefs of Staff (Hopkins), to the Psychological Strategy Board

1. Among the policy questions involved in implementation of the program are the following:

a. Prior to adoption of the program, consideration must be given to its implications regarding present U.S. foreign policy; reactions of Allied governments to a recruiting and training program conducted within their jurisdiction; and similarly, reaction of German and Austrian governments in this regard; and eventual relations of the military elements to be formed to SHAPE and to the European Defense Forces.

b. Possible development of psychological association between the program and any particular *émigré* group(s) warrants attention and appropriate determination.

c. Type of organization and scope of extended training should be conditioned by the nature of employment for which the units are destined, and this in turn will be determined by the objectives to be attained by the program. Decisions must be reached regarding the role of the units in the over-all U.S. military effort in Europe; the possible extension of the program beyond a three year period; the effect of an extended program on U.S. troop commitments in Europe; and the eventual disposition of volunteers released from service under U.S. auspices.

d. Employment of the military elements to be formed either as combat or combat support type units will require advanced training. Similarly, specialized training will be required to permit utilization of such personnel for [illegible] and missions. It is estimated that six months of such training would produce qualified individuals and units for many important and useful tasks. Specific needs and objectives of the military Services will determine the training, organization and employment of the basically-trained personnel al-

located to them. Decisions regarding the type units to be organized and their physical location necessarily must be conditioned by current U.S. military capabilities to support those units. Regardless of the nature of organization(s) to be developed, it appears that the troop ceilings of JCS commands in Europe would have to be increased. Such an increase should be authorized as applicable to the ceilings of the military Services, insofar as any one Service may be affected or concerned. If the activities envisaged by the plan are undertaken without appropriate increase in troop ceilings, there will be established requirements which can be met only at the expense of existing programs and commitments.

e. While the intent of the Congress to serve U.S. interests and security is clearly evident, the impact of such a program, competing with other projects for military end-items, can be of considerable consequence.

f. Formation of national units may be desirable, but if such units are formed, consideration must be given to intra-units personnel relations. The views of governments concerned regarding the presence of foreign national units within their territories, and the advisability of stationing such units in areas contiguous to their native lands, are additional matters requiring policy deliberation.

2. In essence, policy matters which are mentioned above are closely related to certain basic international political considerations. These include:

a. Implications of the program regarding present U.S. foreign policy.

(1) With respect to USSR—

(a) Possibly deemed aggressive act.
(b) Provocation for extensive Soviet countermeasures.

(2) With respect to Allied and other European nations—

(a) Deemed precipitous act.
(b) At variance with avowed desire for "peace".
(c) Development of pressures which will affect:

1. Government stability.
2. Status of existing pacts and agreements.

(3) With respect to neutral nations, primarily "third force" powers such as India and Iran—

(a) Deemed precipitous act.
(b) Attitude toward U.S. affected by fear of Soviet countermeasures leading to war.

(4) With respect to basic current U.S. policy—

(a) Abandons containment, or at least,
(b) Intensifies, accelerates and extends apparent trend toward ultimate liberation of Soviet Bloc peoples.

b. Reactions of Allied and German and Austrian Governments to such a program conducted within their jurisdiction.

(1) Sovereignty compromise; consequent possible Soviet exploitation of public opinion.
(2) Traditional antipathies toward peoples concerned.
(3) Pay and standard of living differentials.
(4) Competition with their own recruiting program.
(5) Effects on local economies.

c. Eventual relations to SHAPE and to EDF.

(1) National status of such personnel and units.
(2) Political representation at policy level.
(3) Ultimate fiscal, administrative and logistical support responsibility.

d. Association with particular *émigré* group(s).

(1) Effect on Allied and neutral opinion.
(2) Effect on success of the basic program, including recruiting.
(3) Effect on Soviets.

3. Additionally, there are other policy matters mentioned above which bear on military decisions. These include:

a. Role of units in over-all U.S. military effort in Europe.

(1) Their status; as affiliates with U.S. forces, and ultimately to NATO.
(2) Overall organizational structure.
(3) Possible replacement for U.S. troops.

b. Effect of extended program on U.S. troop commitments.

(1) Require increase in troop ceilings.
(2) Tax other regional or area requirements.
(3) Provide additional forces.
(4) Possibly replace U.S. forces in Europe.

c. U.S. capabilities to support these units.

(1) Administrative and logistical; present and likely future; feasibility and advisability.
(2) Competing with NATO and other MDAP commitments.
(3) Competing with U.S. training establishment, general reserve, and operational forces, otherwise deployed.

d. Eventual disposition of volunteers.

(1) Ultimate resettlement.
(2) Disciplinary cases within span of service.
(3) To national governments claiming such personnel.

4. It is evident that the implications inherent in policy matters reflected above touch on ramified U.S. interests and concern in such an endeavor. The basic relationship of any such program to the broad field of foreign policy is obvious, and likewise, military aspects of the problem can be readily recognized. However, there is another fundamental consideration in this matter, bearing on each of those broad fields, and this must be carefully assessed. U.S. domestic policy is that fundamental consideration. In this regard, its two principal facts appear to be: (1) humanitarian and (2) political. These will condition any action in the matter.

No. 67

PSB files, lot 62 D 333, PSB D–18 Series

Paper Prepared by the Staff of the Psychological Strategy Board[1]

TOP SECRET [WASHINGTON, July 31, 1952.]

PROGRESS REPORT TO THE PSYCHOLOGICAL STRATEGY BOARD ON PSYCHOLOGICAL OPERATIONS PLAN FOR SOVIET ORBIT ESCAPEES—PHASE "A" (PSB D–18A)[2]

This plan, approved by PSB December 20, 1951, includes programs to care for and resettle current escapees, and envisages maximum possible utilization of escapees in . . . under the Lodge Amendment to the Universal Military Training and Service Act, Public Law 51, which permits recruitment of escapees into the U.S. Armed Forces.

Escapees are those persons from the territory or control of the USSR, the Baltic States, Poland, Czechoslovakia, Hungary, Bulgaria, Rumania and Albania, who escape into Western Europe, ranging from Turkey to Sweden. East Germans, Yugoslavs, Chinese and ethnic expellees, such as Turks and Greeks, are not included.

On April 7, pursuant to approval by the President, $4.3 million were made available by the Director of Mutual Security to the Department of State, which had been given responsibility for the program.

The time since funds were made available has been used:

(1) to identify and care for the most urgent immediate needs of escapees; and

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[1]Circulated to all members of the PSB under a covering memorandum by Allen dated July 31.

[2]Document 63.

(2) to build the organization and staff for the continuing administration of the program.

Organization.

. . . A regional office has been established in HICOG and a policy and coordination unit in the Department of State has been attached to the staff of the Advisor on Refugees and Displaced Persons, Bureau of United Nations Affairs.

Preliminary Arrangements.

A general contract was signed on June 16, 1952, with the Provisional Committee for the Movement of Migrants from Europe (PICMME, an international body organized in November, 1951) for the overseas transport of up to 14,000 escapees during one year at an estimated rate of $100 per capita. Further detailed negotiations on movement of escapees under the PICMME contract and operating procedures with voluntary agencies took place during July.

Resettlement.

The first escapee to be moved under the program left Germany for the United States on June 4; eight others departed June 16, and another shipment was scheduled for July 14. In Austria, 123 persons are being prepared for resettlement to Canada; two have been moved from Italy to Ecuador. It is anticipated that a scheduled flow may be attained in August.

Supplemental Care.

Projects have been authorized to care for urgent immediate needs of escapees resident in Greece, Germany, Austria, Turkey, and Italy. The assistance has taken the form of food, clothing, shoes, repair and decontamination of barracks, medical treatment and the like. For example, in Germany, projects developed by the National Catholic Welfare League, the Lutheran World Federation, and World YM/YWCA, are being supported by funds obligated under this program and will provide aid regardless of religious affiliation. In every country of operation the immediate needs of the escapees are being met.

Propaganda Utilization.

For the present, no general propaganda utilization of the plans and activities of the Escapee Program is contemplated by State Department. Spot treatment through overseas information media of newsworthy care and resettlement projects and of assistance to key individuals will be undertaken when circumstances are favorable and opportunities are presented. Dissemination will be confined to Iron Curtain areas. When the program has greater accomplish-

ments to point to, the State Department plans more general treatment.

Funds.

Of the initial authorization of $4,300,000 an estimated $1,500,000 was obligated during the fiscal year 1952. It should be noted that the request to the Congress for fiscal year 1953 was in the amount of $4,260,500, consisting of the $2.8 million unused in FY '52 plus an additional $1,460,500 to cover an increase in the estimated number of escapees already requiring assistance. Under the terms of the Mutual Security Act further determination by the President authorizing the use of the additional $1,460,500 for the Escapee Program will be required.

Accomplishment of Other Purposes.

The Department of Defense was requested under this phase of the plan to liberalize the conditions under which escapees may be recruited under the authorization of the Lodge Amendment to the Universal Military Training and Service Act and to take all feasible steps to expand such recruiting. Physical and mental requirements have been somewhat relaxed. Of 5194 applications from escapees, 3916 have been rejected, 295 have been accepted (262 of whom are already on active duty) and 982 are being processed. Most of the latter cases are still in the hands of CIC.

. . . . . .

No. 68

PSB files, lot 62 D 333, PSB D-18 Series

The Under Secretary of State (Bruce) to the Secretary of Defense (Lovett)[1]

TOP SECRET [WASHINGTON,] December 22, 1952.

DEAR MR. SECRETARY: The Department of State has given careful study to the military plan for implementation of the Kersten Amendment forwarded with your letter of October 25, 1952.[2]

As was made clear by Department of State representatives in March, when a similar plan was under study in the Psychological Strategy Board, this Department is prepared to do its utmost to solve the political problems involved in implementing a plan of this

[1]Drafted by Trueheart.

[2]Neither the military plan nor the letter is printed.

kind. These problems would be of major proportions so far as our NATO Allies and Germany and Austria are concerned. To assess the political problems adequately and to proceed realistically with development of the plan, it will be necessary to consult certain of our NATO–EDC partners. The Department of State believes, however, that it will be unwise to raise the matter with foreign governments until a firm decision has been reached that the plan is feasible and desirable from the military point of view. It is not clear from your letter that this is the case.

In discussions which have been held since receipt of your letter, Defense representatives have advised us informally that the Department of Defense is now giving consideration to implementation of the Kersten Amendment through modification and expansion of the existing Labor Service Organization attached to United States forces in Europe. From the foreign political point of view, this method of implementation is considered far superior to the plan forwarded with your letter of October 25. The composition of the Labor Service Organization must in any event be modified following ratification of the Contractual Agreements;[3] we would anticipate no major political impediment to substitution of Iron Curtain refugees for German nationals discharged at that time. Moreover, if the program is carried out with care and with due regard for timing, it should be possible to modify the functions of the Organization, or selected elements, for example by establishing cadres for combat units.

It is, therefore, suggested that the Department of Defense continue the development of its plans for the Labor Service Organization. The Department of State stands ready to provide such assistance and advice as may be required.

Sincerely yours,

DAVID BRUCE

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[3]For documentation concerning the signing of the Contractual Agreements on Germany, May 26, 1952, see vol. VII, Part 1, pp. 111 ff.

No. 69

740.5/2-1253: Telegram

The Ambassador in France (Dunn) to the Department of State

TOP SECRET PARIS, February 12, 1953—8 p. m.

4531. Noforn. From Reinhardt. Reference your telegram 4362.[1] General Gruenther had General Anders for luncheon on February 10. As Department probably knows, both officers served together in Italy during the war where they saw a great deal of each other.

Anders did raise question of forming a Polish corps, but Gruenther told him that he saw no likelihood that such a project could be considered seriously in foreseeable future. Meeting was conducted on friendly basis and Anders did not press his point, although he did make clear that in his opinion, formation of such a unit in one of Western countries would be tremendous encouragement to people in Poland. In speculating as to what country might be suitable for a Polish organization, he ruled out England and considered it unlikely that one could be formed in France or Italy. He thought perhaps Spain might be one government that would accept such an organization, but he was not given any encouragement by Gruenther that it could succeed.

DUNN

[1]Telegram 4362, Feb. 11, expressed concern at the news that Anders was seeking an appointment with Gruenther to discuss the formation of a Polish corps in Western Europe, and recommended that the appointment be arranged with a lower-ranking NATO officer and that the discussion not include the question of a Polish corps. (740.5/2-1153)

No. 70

S/S-NSC files, lot 63 D 351, NSC 143 Series

Memorandum by the President to the Executive Secretary of the National Security Council (Lay)[1]

SECRET WASHINGTON, 14 February 1953.

NSC 143

Subject: Proposal for a Volunteer Freedom Corps

1. In the interest of our national security, the burden now resting upon the youth of America in the world struggle against Com-

[1]Included with the source text was a cover sheet and a memorandum by Lay to the National Security Council indicating that the President's memorandum was scheduled for discussion at the NSC meeting of Feb. 18.

munism should be relieved by providing additional combat manpower. We should find a way to mobilize the will to oppose Communism which exists in countries under the Communist yoke. One way to meet these objectives is outlined below, in sufficient detail to be susceptible of intelligent study by the council: a proposal for a "Volunteer Freedom Corps". Please schedule this proposal for early study by the Council.

2. *Proposal for a "Volunteer Freedom Corps":*

a. The United States Army, under appropriate legislative authority, will establish a Volunteer Freedom Corps, composed of infantry battalions representative of the respective nationalities behind the Iron Curtain. The United States Army is selected because arms, training, and maintenance will be provided by the United States.

b. Each battalion representative of any such nationality will have a distinctive shoulder patch, insignia, flag, ceremonies, etc.

c. Such Corps will be recruited from stateless, single, anti-Communist young men, coming from the countries behind the Iron Curtain. To obtain voluntary enlistments of such men, the United States Army will carry on a positive recruiting campaign in coordination with the Department of State and with the Special Assistant to the President for Cold War Operations. The name "Volunteer Freedom Corps" emphasizes that persons enlisting therein are not mere mercenaries or soldiers of fortune, but are sincere, convinced, anti-Communist volunteers for freedom.

d. Upon enlistment in the Corps:

(1) A recruit will take an oath of obedience to military orders of his American officers.

(2) A recruit will be paid in accordance with a schedule different from American soldiers' pay schedules.

(3) A recruit will become entitled, after a period of honorable service (perhaps for a period of three years), to be eligible for United States citizenship.

(4) A recruit who develops a special aptitude and other necessary qualifications will be taken into the regular United States Army, in the spirit of the Lodge Act,[2] to provide, in the event of global hostilities, a supply of qualified officer personnel to serve as interpreters, intelligence specialists, General Staff Officers, and combat commanders of alien troops.

. . . . . .

e. Battalions of the Volunteer Freedom Corps will be attached as corps troops to divisions, either of United States or of United Nations forces as deemed at the time most advantageous.

f. An *ad hoc* committee appointed by the National Security Council will work out all other terms and provisions of this proposal and report back to the Council for approval. Such committee might be composed of representatives from the Department of

[2]Reference is to the Alien Enlistment Act of 1950, P.L. 81-597 (64 Stat. 316), June 30, 1950.

State, the Department of Defense, the Central Intelligence Agency, the Psychological Strategy Board (acting for the Special Assistant to the President for Cold War Operations), and chaired by a retired high-ranking Army general, of vigor, determination, and broad understanding (for example, Lt. General Willis D. Crittenberger). After the National Security Council has approved the proposal in full detail, the chairman of such *ad hoc* committee will be available to act as an executive in seeing that the policy decision of the Council is carried into effect in actual operations.

g. As the carrying into effect of the proposal will require legislation, it is desirable that Congressional cooperation be enlisted before undertaking all the action stated in 2–f above.

3. I have been disappointed in the progress made by the United States Army in carrying into effect the Lodge Act, the objective of which was to produce from stateless, anti-Communist young men an elite of officer material. As of 30 October 1952, the figures shown me were:

Applied for recruitment		6,008
Rejections	4,847	
Acceptances	395	
Scheduled for processing		108
Under review by CIC		655

For the success of the Volunteer Freedom Corps, it would be necessary for the Army to take a quite different position towards it and towards Lodge Act recruitment.

4. I am advised that the British Pioneer Corps, formed to give refugees from Hitlerism a chance to fight in World War II, recruited 15 battalions which were used by nationality as corps troops. It would seem possible in these days of tension, with a zeal equal to the need, to recruit up to 250,000 men for the Volunteer Freedom Corps. The USSR has learned how to get millions of non-Russians armed, trained, and fighting or capable of fighting on the side of the Soviets.

DWIGHT D. EISENHOWER

No. 71

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 132d Meeting of the National Security Council, Washington, February 18, 1953[1]

TOP SECRET EYES ONLY

Present at the 132nd meeting of the Council were the President of the United States, presiding, the Vice President of the United States, the Secretary of State, the Secretary of Defense, and the Director for Mutual Security. Also present were the Secretary of the Treasury, the Director, Bureau of the Budget, the Chairman, Joint Chiefs of Staff, the Acting Director of Central Intelligence, the Administrative Assistant to the President for National Security Matters, the Special Assistant to the President for Cold War Operations, the Military Liaison Officer, the Executive Secretary, NSC, and the Deputy Executive Secretary, NSC.

There follows a general account of the main positions taken and the chief points made at this meeting.

[Here follows discussion of significant world developments affecting United States security.]

2. Proposal for a Volunteer Freedom Corps (NSC 143)[2]

After Mr. Cutler had briefly described this report, the President noted that the idea of inducing foreigners to play a part in our armed forces was both an old and a very appealing one. It had, however, never elicited much enthusiasm in Army circles, and certainly very little had been done under the provisions of the Lodge Act. If something like the Volunteer Freedom Corps could be created, the President continued, it could accomplish three very important things: First, it would induce desertions from countries behind the Iron Curtain and thus create anxiety and unrest in the USSR. Secondly, it would provide a means of securing very desirable types of citizens at the conclusion of their terms of service with the Corps. Thirdly, it would provide this country with good fighting material at a much cheaper rate. "At least", the President concluded, "I want this new proposal thoroughly and sympathetically studied."

Mr. Cutler inquired whether the report should be put on the agenda for action next week, and the President said yes.

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[1]Prepared by Gleason on Feb. 19.

[2]*Supra.*

Secretary Wilson inquired as to whether this mechanism might not provide us with as much as a division of foreign soldiers for action in Korea.

The President replied that he was not sure, but the idea had merit.

In response to a question from the President, General Bradley summarized what had been done under the Kersten Amendment,[3] which provided $100,000,000 for related purposes. He said that the military had been working on various plans under this Amendment, but that on the whole they had not responded very cordially to proposals for such volunteer corps. General Bradley explained that there was anxiety among the military lest such a group should provide a means for Communist infiltration. He also noted that the training of such a force would require a very large expenditure for interpreters and other specialists. However, the military had recently revised a plan and sent it to General Ridgway for his comments.

Secretary Wilson suggested that perhaps plans for such a corps had been thought of too much in a European context. It might be more profitable, as well as more popular, to look at it as of potential use in Asia.

The President talked briefly about the British experience with the so-called Pioneer Corps in World War II. On the whole these groups had proved useful, and the President expressed his belief that the various problems outlined by General Bradley were not so serious as they were made out to be.

The National Security Council:

Discussed the memorandum by the President on the subject (NSC 143), and agreed to place it on the agenda for Council consideration at its meeting on February 25.

[Here follows discussion of armaments and American policy; the formulation of a United States position with respect to the regulation, limitation, and balanced reduction of armed forces and armaments; breaches of security; a program of United Nations actions to stop aggression; and basic national security policies.]

S. EVERETT GLEASON

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[3]Section 101(a)(1) of the Mutual Security Act of 1951, P.L. 82-165 (65 Stat. 373), Oct. 10, 1951.

No. 72

760.00/2-1953: Circular airgram

The Secretary of State to Certain Diplomatic and Consular Offices[1]

CONFIDENTIAL WASHINGTON, February 19, 1953—6:45 p.m.

1923. Following is advance text of cleared information policy instruction regarding escapees. The text will shortly be issued by IPO as a Special Instruction with copies going to all Diplomatic and Consular Offices:

ESCAPEES

(FYI and to be treated as Secret Security Information: Communist propagandists have exploited with telling effect the inadequate conditions and general neglect which greeted escapees upon their arrival in the West. Continuation of these conditions as a basis for communist propaganda of this character militates against attainment of specific United States interests in the fields of intelligence, psychological warfare, and basic United States political objectives vis-à-vis Soviet Russia and its satellites. The United States Escapee Program was undertaken, therefore, as a matter of Inter-Agency concern with administrative responsibility assigned to the Department of State, to bring about an improvement in the conditions of reception and care afforded to escapees, to promote their permanent resettlement and to exploit psychologically such accomplishments as the program might achieve. After an initial organizational period, the Escapee Program is now producing an increasing volume of program accomplishments. The Department's Circular Airgram To Certain American Diplomatic and Consular Officers, 3:05 p. m. January 30, 1953[2] directs the establishment of necessary field arrangements to assure, as a matter of importance and priority, the collection and transmission, for effective dissemination, of exploitable escapee news items. We now look forward to an increased flow of informational material concerning escapees and the Escapee Program for psychological exploitation, through media available to the Department and other interested United States agencies in negating communist propaganda and in advancing essential United States interests and objectives.

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[1]Drafted by Dawson, E. Lewis Revey of the U.S. International Information Agency, and L. Roger Williams of the Bureau of United Nations Affairs and cleared in RA, IPO, GER/P, FE/P, P, R, EUR/P, and NEA/P. Sent to all the major European posts.

[2]Not printed. (760.00/1-3053)

Utilization of these materials should be governed by following considerations:

a. We do not seek through our information program to appear to invite increased influx of all types of refugees into the countries of primary asylum. For example, Berlin is already over-crowded with refugees from the Eastern zone; an analogous problem prevails in Hong Kong. In such areas we would especially wish to avoid appearing to contribute further to the staggering responsibilities of the local authorities.

b. We believe that appropriate publicity of Escapee Program accomplishments is of vital importance to demonstrate continuing United States interest and concern for the welfare of Soviet dominated populations.

c. We consider that useful publicity concerning Escapee Program achievements will combat, in large measure, effectiveness of internal Soviet orbit propaganda asserting that escapees receive "shabby" treatment in Western countries.

d. Utilization of materials concerning Escapee Program accomplishments can also be viewed as contributing to the objectives of other United States programs, such as the encouragement of escapees from the USSR and the defection of key, satellite personnel who have specialized knowledge and information. In this connection, however, and with reference to (a) above, we should bear in mind that neither conditions in free countries nor broadcasts emanating therefrom are primary factors in influencing the rate of flow of escapees which is more the result of pressures within the communist-dominated countries from which they flee. End FYI to be treated as Secret Security Information.)

FYI Background

At the direction of President Truman, the Escapee Program was established in the spring of 1952. Administration of the program was assigned to the Department of State with dollar funds (4,300,000) for its operation transferred from MSA to the Department out of monies authorized under the Kersten Amendment of the Mutual Security Act. The operation goal of the program, as expressed in the Truman–Harriman exchange of letters of March 23, 1952, is "To improve the reception and treatment and secure the resettlement of qualified people who escape from Soviet dominated countries".[3] In its present form the essential concern of the Escapee Program is limited to an estimated 12,000 to 14,000 escapees from Soviet dominated *Eastern European countries* already in Western European countries of first asylum, plus an additional several hundred who are expected to escape into these areas each month. The program is *not* designed to assist refugees, such as

[3]The quoted passage is taken from Harriman's letter to President Truman of Mar. 20, 1952, described in footnote 4, Document 65. No correspondence dated Mar. 23, 1952, has been found on this subject in Department of State files.

German expellees, Soviet zone Germans or ethnic Turks expelled from Bulgaria to Turkey, who have a status essentially equivalent to that of nationals of countries in which they now reside. From the point of view of the Escapee Program, refugees in this category are essentially at home in these countries and constitute respectively a charge of the West German and Turkish Governments. As such, they do not qualify for Escapee Program assistance.

To the maximum possible extent consistent with United States objectives, Escapee Program is being carried out through contractual arrangements with private and intergovernmental agencies in this field. Although the program places particular emphasis on promoting and subsidizing resettlement, it is concerned also with care and maintenance of qualified escapees. Care and maintenance assistance, however, is purely supplemental in character and is in no sense designed to supersede the efforts now being made by the governments of the receiving countries on the European periphery of the Soviet orbit, which carry the main responsibility for taking care of escapees. *End FYI background.*

Treatment

1. In Russian-language output we should, as a matter of highest priority, utilize a continuing flow of reliable information concerning successful escape, accomplishments in improving reception and care, resettlement to constructive life of freedom both of Soviet and satellite nationals, as well as other psychologically useful information relating to escapees and Escapee Program activities.

2. Output to Soviet satellite audiences is of special significance and importance to the attainment of U.S. political and psychological objectives in those areas and consequently should provide for a continuing and effective flow of detailed information as provided for in point (1) above.

3. For the time being, and until further notice, Escapee Program achievements should be de-emphasized in German-language output.

4. Output to Yugoslavia should confine itself to minimal, routine coverage of Escapee Program achievements and should always be expressed in terms of assistance to escapees from Soviet-dominated repeat Soviet-dominated and not "Communist-dominated" countries.

5. Reporting to peripheral receiving areas (Germany, Austria, Italy, Greece, Turkey and Trieste) should be confined, where feasible, to hard news of efforts to promote resettlement of escapees.

6. For the time being, Department considers no useful purpose is served by publicizing program to audiences in areas such as India and Pakistan in the Middle East and Hong Kong and Korea in the Far East, which contain large numbers of refugees, who, while not

admissible for escapee aid, nevertheless regard themselves as bona fide refugees worthy of assistance. However, we anticipate a considerable volume of escapee human interest materials reflecting true conditions inside the Soviet world: persecution of religious and other groups, economic spoliation, nature of border controls which Soviet and satellite governments have been compelled to establish to keep tormented peoples from escaping. These materials concretely and compellingly illustrate and clarify the true nature of the Soviet system and as such should be put to good general use.

7. Before the names or other identification of escapees are utilized in official information output, assurances must be obtained from the Department of State, UNA/R, by media in the United States, from the appropriate escapee unit in the case of field operations or from escapees themselves, that no reprisals are likely to be taken against friends or relatives still behind the Iron Curtain. Lacking such assurances output should refer generally to region or nationality of origin of escapees.

8. We should emphasize the humanitarian aspects of assistance and should avoid use of materials suggesting that program may have other than humanitarian purposes.

9. Discussion of Escapee Program accomplishments should contain acknowledgement of valuable contribution to program of U.S. voluntary agencies and governments of receiving countries.

Caution

1. We should not disseminate information identifying channels, routes, or contacts employed by escapees in their flight to freedom.

2. We avoid direct discussion of Escapee Program in relation to Soviet charges of subversion under the Kersten Amendment.

3. We do not refer to escapees as "defectors".

4. We subordinate the statistical approach to exploitation of case histories. (The flow of escapees may well decrease as a result of increasingly severe measures imposed by Soviet bloc governments to prevent escapes.)

DULLES

No. 73

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 134th Meeting of the National Security Council, Washington, February 25, 1953[1]

TOP SECRET EYES ONLY

Present at the 134th meeting of the Council were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director for Mutual Security. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (for Item 3 only); General Vandenberg for the Chairman, Joint Chiefs of Staff; the Chief of Staff, U.S. Army (for Items 1, 2 and 3 only); the Acting Director of Central Intelligence; the Assistant to the President; the Administrative Assistant to the President for National Security Matters; the Special Assistant to the President for Cold War Operations; the Military Liaison Officer; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a general account of the main positions taken and the chief points made at this meeting.

[Here follow a comment by the President on the receipt of a message from Argentine President Perón and discussion of significant world developments affecting United States security.]

2. Proposal for a Volunteer Freedom Corps (NSC 143;[2] Memo for NSC from Executive Secretary, same subject, dated February 24, 1953[3])

After Mr. Cutler had explained the two reports on this item, he informed the Council that recent soundings on the Hill indicated that members of the House were much more favorably inclined to a Volunteer Freedom Corps than they had been previously to such proposals. There was still worry, however, over the provision that U.S. citizenship might be granted to members of the Corps after a certain term of service. Opinion in the Senate had always been stronger in support of this proposal.

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[1]Prepared by Gleason on Feb. 26.

[2]Document 70.

[3]No memorandum dated Feb. 24 on this subject has been found in Department of State files; reference is possibly to a memorandum by Lay, Feb. 23, which transmitted to the NSC a Department of Defense proposal for the implementation of NSC 143. (S/S–NSC files, lot 63 D 351, NSC 143 Series)

The President inquired the views of the Department of Defense as to the probable morale and efficiency of such a corps as was envisaged in NSC 143.

In response, General Collins noted that morale in the existing labor battalions, made up of refugees from behind the Iron Curtain, was good. He thought morale in a Volunteer Freedom Corps would also remain good if the members of the Corps were not stationed too far from home. If they were sent to Korea there might be some difficulty.

Mr. Cutler informed the Council of the State Department's anxiety as to the effect on our international relations of a proposal which involved recruiting of potential members of this Corps in certain nations which would be sensitive to the Soviet reaction, notably France.

The President replied that in this instance he did not see why we could not adopt a policy quite on our own. The French showed no hesitation, he noted, in recruiting Germans for the French Foreign Legion. He went on to say that if the individuals who composed the Corps could be charged against the immigration quotas of the country of their origin, the United States would benefit by the reception of some very good citizens.

Secretary Dulles said that there was another point to bear in mind in considering this proposal. We are already short in our deliveries of certain items of military equipment to our allies abroad. If we subtract any more in order to arm the proposed Freedom Corps, we might expect an unpleasant reaction from our allies.

The President seemed not greatly impressed by this argument, and pointed out that the Freedom Corps would be armed with United States equipment; that they would cost much less to maintain than United States troops, and that there were great advantages if ultimately they could be trained and armed to replace United States forces in Korea.

General Collins pointed out that if it was proposed to pay these troops less than American soldiers were paid and that they were nevertheless sent to Korea, there was the probability of a real morale problem.

The President thought, nevertheless, that with respect to past proposals under the Lodge Act[4] and the Kersten Amendment,[5] the various qualifications and restrictions which were placed by the United States on the type of individuals to be recruited had been

[4]Alien Enlistment Act of 1950, P.L. 81-597 (64 Stat. 316), June 30, 1950.

[5]Section 101 (a)(1) of the Mutual Security Act of 1951, P.L. 82-165 (65 Stat. 373), Oct. 10, 1951.

far too stringent. The standards we insisted upon were much too high.

Mr. Stassen reminded the Council that the MSA had certain funds which could be used for implementing the proposal for a Volunteer Freedom Corps if the project was approved. It seemed to him that the logical action for the Council to take was to approve NSC 143 in principle and refer the report to an *ad hoc* committee to work out the details. Thereafter a modest beginning could be made on the basis that these forces would be of the ranger type and would be sent to Korea. While lacking many items of heavy military equipment of conventional U.S. standards for its own forces, there was plenty of light equipment with which to arm ranger forces.

Secretary Wilson raised the question as to whether the proposed Volunteer Freedom Corps would fight under the American flag and whether the Freedom Corps would go into action as a separate unit or be interspersed with U.S. or UN units.

It was the general view that it made little difference whether these forces fought under the U.S. or the UN flag, and the President stated that the United States Army should be left to decide the issue of their assignment to U.S. units or being kept separate.

The President expressed approval of Mr. Stassen's proposed Council action on this report, and stated his belief that a high-ranking and retired officer, such as General Crittenberger, would be the logical individual to head the proposed *ad hoc* committee. He again expressed his belief that the Council should get moving on this project.

Secretary Dulles raised the question as to whether NSC approval in principle of NSC 143 would bind the *ad hoc* committee to start its work with the preconception that the proposal was approved and feasible.

This did not seem to be the opinion of the Council, and Mr. Lay suggested that the phraseology of the Council action should run "Approval in principle subject to review by the Council of the *ad hoc* committee's report."

General Collins said that he had one last point to raise. It was not clear to him now, as it had not been in the past, whether the individuals composing such a corps would bear allegiance to the United States. He felt that the *ad hoc* committee should study this point carefully and look up the law on it.

The President seemed less concerned about this point than General Collins, and confined himself to stating that obviously the troops within the corps would be obliged to take the enlistment oath and obey military orders.

The National Security Council:

Approved in principle the proposal in NSC 143, but agreed that all aspects of the proposal should be studied for feasibility in the light of a detailed plan for its effectuation to be prepared by an *ad hoc* committee, such detailed plan to be submitted to the Council for further consideration. The *ad hoc* committee is to be composed of representatives of the Departments of State and Defense, the Central Intelligence Agency, and the Acting Director of the Psychological Strategy Board, and chaired by a retired high-ranking Army General.

[Here follows discussion concerning armaments and American policy and basic national security policies.]

S. EVERETT GLEASON

No. 74

Editorial Note

Pursuant to the decision taken at the National Security Council meeting of February 25, an *Ad Hoc* Committee on NSC 143 was established under the chairmanship of General Willis D. Crittenberger. The other members of the committee were Charles B. Marshall, Department of State; Major General Clark L. Ruffner, Department of Defense; Brigadier General John Weckerling, Central Intelligence Agency; and Edmund Taylor, Psychological Strategy Board. Colonel Roy A. Murray served as Executive Secretary. Records of 17 committee meetings between March 5 and April 17 are in S/S–NSC files, lot 63 D 351, NSC 143 Series. The records which appear on the following pages are the minutes of the 7th, 10th, and 11th meetings. At the conclusion of the entire series of meetings, the *Ad Hoc* Committee drafted a report of its findings. This report was accepted by the National Security Council as the staff study on which was based the statement of policy in NSC 143/2, Document 80.

No. 75

S/S-NSC files, lot 63 D 351, NSC 143 Series

Record of Meeting of the Ad Hoc Committee on NSC 143, Monday, March 23, 1953[1]

TOP SECRET [WASHINGTON,] March 24, 1953.

1. a. Members present were:

Lt. General Willis D. Crittenberger, chairman
Mr. Charles B. Marshall, State member
Brig. General John Weckerling, CIA member
Mr. Edmund Taylor, PSB member
Colonel Roy A. Murray, Executive Secretary

b. Others attending were:

General James A. Van Fleet, part-time
General J. Lawton Collins, afternoon
Brig. General Robert Cutler, part-time
Lt. Colonel Edward T. McConnell, part-time
Mr. Aldo L. Raffa, CIA
Lt. Colonel E. F. Black, Department of Defense
Lt. Colonel G. E. Levings, Office, Chief Legislative Liaison, U.S.A., afternoon
Mrs. Margaret Grubb

2. General Crittenberger asked General Cutler to outline the background of NSC 143[2] and President Eisenhower's views on the subject.

General Cutler said the first sentence of the President's statement is the keynote—that NSC 143 is a possible means of stopping the drain on our manpower from the Korean situation. He reported that the President feels there are anti-Communist men of combat capacity who would like to volunteer to rid the world of Communism, and that the purpose of VFC is to find some way to relieve the U.S. The President wants the committee to formulate whatever plan seems best and strict adherence to all the details in NSC 143 is not necessary. General Cutler stressed the voluntary aspect. He said the appointment of General Crittenberger to head the committee is evidence of the importance the President attaches to it. He believes that Stalin's death adds impetus to VFC and that the President will make recurrent queries on its progress.

General Crittenberger asked if this is one of a number of factors in the President's over-all thinking on ways of ending the Korean stalemate. General Cutler said it was.

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[1]The meeting began at 10 a.m., adjourned at 11:10 a.m., reconvened at 2:30 p.m., and ended at 3:45 p.m.

[2]Document 70.

3. General Crittenberger asked if it would be satisfactory to the President if the plan drawn is on a modest scale and thus easier to get through Congress, to implement militarily and for PSB to highlight psychologically. It would be understood that the plan could be expanded later. General Cutler said a modest beginning would be satisfactory and that the 250,000 figure is NSC 143 is not binding.

4. Mr. Marshall commented on the difficulties the State Department will have selling the plan to other governments. General Cutler asked if any thought had been given to locations of training sites and was told that to attract recruits from behind the Iron Curtain, depots would have to border on Curtain countries in Europe. Mr. Marshall said this might require parliamentary action in some countries. Lodge Act recruitment had not required such action because only West Germany was involved. General Cutler hoped that NATO countries who are receiving aid from the U.S. would not cause difficulties.

5. General Cutler asked if the committee's plan might be finished by May 1; General Crittenberger thought it would be before that date.

6. Mr. Taylor questioned the advisability of presenting the plan as one to relieve the strain on American youth since this could cause psychological repercussions abroad. Finding the right way to present the plan for both domestic and foreign reception is a prickly problem but can be solved, he said.

7. General Cutler mentioned provisions put in the 1945 Recruitment Act[3] by Senator Carl Hayden regarding recruitment of Filipinos to fight in Japan. Colonel McConnell reported that two divisions of Filipinos were activated but were not satisfactory and were disbanded.

8. When General Cutler left, General Crittenberger introduced General Van Fleet. He said that the committee, in view of General Van Fleet's experience with troops of other nationalities, would like his views on military, psychological and security aspects of a prospective VFC.

9. General Van Fleet said:

a. The first need is an incentive to fight. Recruits must have their hearts in what they are doing. This is true of Greeks, Koreans, Americans. Building the desire to fight will require honest propaganda and indoctrination that the men are fighting for relatives in bondage to the Soviets and for their land.

b. Loyalty of recruits should be screened and checked continuously for agent penetration. Those evidencing disaffection, dissatisfaction or disloyalty should be eliminated.

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[3]Armed Forces Voluntary Recruitment Act of 1945, P.L. 79-190 (59 Stat. 538), Oct. 6, 1945.

c. Training program should be hard and should not introduce luxuries to spoil people who have never had any. Troops should be kept from contact with demoralizing elements.

d. Recruits should be apt students who do as they're told so the U.S. gets full value for time and money spent.

e. The unit leaders—under American command—should be strong, aggressive, of same nationality as the unit and speaking the same language. They need not be highly intelligent since brilliant strategy should not be expected of them.

10. General Van Fleet has found foreign troops easy to handle, quick to learn, and prone to have blind faith in American teachings. There would be no objection, he said, to rugged and dangerous training, as foreign troops expect casualties in training. U.S. officers must, however, maintain national pride and take care not to insult foreign troops who often have more innate courtesy and better manners than Americans.

11. Summarizing, General Van Fleet said that if we have equipment and military missions for a VFC, we should be able to make something out of it. He felt that the plan should not, however, be predicated on a manpower shortage. There is plenty of manpower in Korea and Nationalist China.

12. Mr. Marshall asked about using troops recruited in Europe in Asia. General Van Fleet said it would be difficult to recruit troops for an indefinite fighting destination since this would make them prisoners rather than volunteers.

13. Mr. Marshall asked how to handle the question of chain of command in dealing with multi-nationals. The General suggested keeping the U.S. in top command and attaching small national units to larger U.S. units.

14. Mr. Marshall asked how the problem of military justice is handled in Korea. General Van Fleet said the foreign units handle their own discipline, setting up courts to pass sentences and carry them out and referring questions to their national authorities when necessary. Mr. Marshall pointed out that VFC troops would not be able to refer to their homeland authorities. General Van Fleet reiterated that it would be better to let nationalities follow their own concepts of law than to impose U.S. concepts on them.

15. General Weckerling asked if secondary, go-between powers could be used to organize and control troops, for example the British for the Poles in U.K. General Van Fleet thought the possibility should be examined since it might make recruiting and handling easier but that it might also open up problems with Congress.

16. General Weckerling asked if divisions of ROKs or Chinese Nationalists could be added to a VFC if this were found to be advisable and economical. General Van Fleet did not believe Koreans

should be included in VFC though it might be all right to try them out in battalions to see how this would work.

17. General Weckerling asked if battalions could be organized from Chinese PW's in Korea. General Van Fleet said emphatically they could, that they have been asking to fight with us. The same goes for the Koreans. This idea was used in Greece. After proper indoctrination, Greek ex-prisoners made excellent troops for our side.

18. Mr. Raffa asked about screening loyal troops from disloyal. General Van Fleet said PWs in Korea were screened a year ago and that half wanted to fight.

19. Mr. Taylor asked whether Soviet border controls would prevent recruitment on such borders as Greek and Bulgarian. General Van Fleet does not think any border can be completely closed.

20. General Van Fleet repeated that if a VFC can be equipped, it can be used. He added that austerity standards should prevail. The American Army, he said, doesn't know what austerity is until it sees how other armies operate. Chinese replacements, for example, enter battle without equipment and get it from the troops they replace. He doubts if one third of all the equipment issued to U.S. troops is used.

21. The meeting recessed from 11:15 to 2:30.

22. At 2:30 General Crittenberger introduced General Collins and explained that the committee would like his views on the advantages, disadvantages and feasibility from a military point of view of a VFC.

23. General Collins stated he has supported the general idea of a VFC for some time and testified for the Lodge Act[4] before Congress. He urged the committee to read the Lodge Act hearings for clues to Congressional attitude.

24. Problems in connection with a VFC which he suggested for committee consideration were:

a. Establishment of objectives. General Collins thinks that a VFC for Europe and a VFC to fight in Korea are two vastly different things. The first he considers worth attempting; the second would involve integrating troops into a UN force in an area entirely strange to them. His present judgment is that the latter is infeasible and its cost and difficulties would outweigh its advantages. Among the difficulties are language and the problems of replacement, morale and rotation.

b. The length of time envisaged for the program—three, five or ten years. Commitments would have to be made to recruits which would depend on Congressional support to fulfill.

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[4]Reference is to the Alien Enlistment Act of 1950, P.L. 81-597 (64 Stat. 316), June 30, 1950.

c. The problem of the allegiance of the corps is one Congress will inquire about. General Collins suggested the committee examine testimony by Frank Nash, Carl Van Depsen and General Collins on EDC before the Senate Foreign Relations committee.

25. General Collins thought the project should not apply to Orientals because of the citizenship problems that would arise. He felt this would be a useful project in Europe to support U.S. forces. He emphasized support rather than combat.

26. Mr. Marshall asked if General Collins would regard VFC as an addition or a substitute for U.S. forces in Europe. The General replied he would hate to see VFC used as mercenaries to substitute for U.S. troops.

27. Mr. Marshall questioned the relative return per dollar spent for a VFC from the standpoint of U.S. security. In General Collins' opinion, troops used in Europe would net good returns; in Korea he would prefer to equip Koreans to fight in their own country. He added that equipping forces for combat in Korea would be far more expensive than providing light equipment for support troops in Europe.

28. General Weckerling queried General Collins on the practicality of using a secondary sponsor. Border controls and the unavailability of Germans limit the number of recruits available in Europe, he said, with the result that we could probably depend heavily on *émigrés* now residing in England and elsewhere, such as the Poles. General Collins answered that the more nations involved, the more problems would arise. The question of allegiance would be complicated by a secondary sponsor and he doubted the advantage of dividing responsibility. EDC, however, might be used for sponsorship if it evolves as a political entity.

29. Mr. Taylor questioned the psychological aspects of attracting recruits to serve for support instead of combat. General Collins said he wondered about the validity of the argument that combat service has more appeal than support and that, in his opinion, offering U.S. citizenship would be the chief attraction. Furthermore, he stated, arrangements could be made to offer combat service for some volunteers. In combat service, however, the problems of replacement, rotation, treatment of wounded and liability for death would be more acute than for support troops.

30. Mr. Taylor asked if the concepts of the French Foreign Legion and VFC were very different. General Collins answered that VFC is not the same as the French Foreign Legion. The question of the allegiance of the French Foreign Legion was brought up, and Colonel Murray reported its allegiance is to France with a provision against being required to fight against one's native country.

31. General Crittenberger asked General Collins how much inducement VFC would offer to recruits. He was told that U.S. citizenship would offer great appeal and that recruits would fall into two groups—(1) rabid anti-Communists and (2) young men separated from and unable to go back to their homelands who would like to go to the U.S. with dignity.

32. Colonel Black mentioned that last year an Army team took plans for a prospective VFC to Europe and U.S. Commanders there were not very receptive to it. General Collins did not know about this but stated that General Handy has given strong support to the Labor Service in Europe and that he felt other U.S. officers there would favor VFC as a means of providing needed service troops.

33. General Crittenberger asked General Collins' opinion of starting VFC on the modest basis of a few battalions in locations where the difficulties with foreign governments might be least, and expanding later. General Collins favored this idea. He doubts the number could reach a goal of 250,000 and said Congress would be more likely to go along with a modest plan. Further, setting the sights too high would cause adverse psychological reaction if they were not attained. General Collins was also skeptical as to whether Congress would agree to recruiting any but Europeans and stated that termination problems in case of withdrawal of Congressional support would be less serious if VFC were confined to Europe.

34. Colonel Levings stated the legislative questions had been fully covered by General Collins' statements except for the one of status in case of capture.

35. In answer to General Crittenberger's question, General Collins thought European allies would have no strong objections to VFC unless it attempted to enlist their nationals. He thought neutral countries would, however, raise objections.

36. Asked about Lodge Act recruits, General Collins said he had had no association with them but had reports that they are valuable adjuncts.

37. After General Collins' departure, General Crittenberger asked committee opinion on inviting Mr. Allen Dulles, Mr. C. D. Jackson, and a State Department representative to speak. General Weckerling reported that Mr. Dulles is out of town; Mr. Taylor will ask Mr. Jackson if he wishes to appear. It was decided to have Colonel Black invite General Donovan.[5]

38. Colonel Murray was asked to draft a cable to General Handy from General Crittenberger requesting his personal estimate on the value of a VFC and his recommendations on whether it would best

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[5]Allen Dulles and Jackson attended the Mar. 30 meeting (see Document 77); there is no indication that General Donovan attended any of the meetings.

be used for support or combat. Discussion with Colonel Davis will precede final preparation of the cable.[6]

The next meeting was set for 10:00 a. m. Wednesday.

[6]Not further identified.

No. 76

S/S-NSC files, lot 63 D 351, NSC 143 Series

Record of Meeting of the Ad Hoc Committee on NSC 143, Friday, March 27, 1953[1]

TOP SECRET [WASHINGTON, March 27, 1953.]

1. a. Members present at the meeting:

Lt. General Willis D. Crittenberger, Chairman
Mr. Charles B. Marshall, State Member
Maj. General Clark L. Ruffner, Defense Member
Brig. General John Weckerling, CIA Member
Mr. Edmund Taylor, PSB Member

b. Also present were:

Ambassador Henry Cabot Lodge
Mr. Aldo L. Raffa, CIA
Colonel Paul C. Davis, Support Plans Branch, HQ, U.S. Army Europe
Lt. Col. G. E. Levings, Office, Chief Legislative Liaison, U.S.A.
Lt. Col. E. F. Black, Department of Defense
Mr. Leon Fuller, State Department
Mrs. Margaret Grubb

2. After introducing Ambassador Lodge, the chairman explained that the committee would like his views on VFC because of his unique experience in legislative, diplomatic, political and military posts. He explained that Mr. Lodge's statement of January 1951,[2] had been distributed to the committee, which would appreciate having the Ambassador's ideas on the military and psychological value of a Volunteer Freedom Corps.

3. Mr. Lodge said he would like to place his statement in the context that he has reached the conclusion since joining UN that the thing that bothers the Russians most is our escapee program. It gets "under their skins" he said because it is (1) indication of failure on their part, (2) represents loss of manpower and (3) because

[1]The session began at 2:45 p.m.

[2]No copy of this statement was found in Department of State files; presumably the reference is to the statement made on Jan. 11, 1951, in the Senate concerning the assignment of U.S. troops to Europe and the use of European soldiers.

the Soviets fear escapees will be damaging to them. To get the USSR in a "peaceful posture", he recommends intensifying escapee programs and propaganda to the extent where the Russians will ask us to "lay off".

He pointed out that the fact that the U.S. was founded by escapees from oppression is precedence for U.S. solicitude for escapees from behind the Iron Curtain.

4. The issue can be a tremendous political weapon for use in UN, Mr. Lodge said. He reported that he had attended a meeting to discuss obtaining information from escapees on monstrosities behind the Curtain for use as the basis of a resolution before the UN. Escapees can, he said, give the U.S. the initiative in psychological warfare, and can be the biggest, single, constructive, creative element in our foreign policy.

5. The previous administration, Mr. Lodge said, took a negative, passive attitude on escapees. We should take an active attitude and encourage them. He expressed his opinion that the increase in escapees since the death of Stalin, despite tightening of border controls, is indication of increased repression behind the Iron Curtain.

6. He reported that Marshal DeLattre believes that an outright appeal for escapees in Europe will get two million men; and "undertable" appeal promising escapees good care should get 250,000 men, Ambassador Lodge said.

7. The speaker emphasized that the proposed corps should not be a Foreign Legion or a force of mercenaries and that promoting it on the basis of "relieving our own men" would be the "beginning of the end". The proposed corps should be our allies, and there is no reason for them to be under a different uniform or flag.

8. Mr. Lodge expressed admiration for the way the USSR is running the Chinese Communists while the U.S. uses her own men in Korea because of failure to see the advisability of enlisting the aid of sincere non-Communists around the world. As other reasons he mentioned:

a. Inertia.
b. The belief that U.S. soldiers are easier to handle than foreign troops.
c. Failure to think back of the U.S. soldier to the cost of having him in Korea.
d. Reluctance of the Army to endanger its prestige by admitting foreign soldiers.

9. U.S. manhood is the country's greatest asset, Mr. Lodge said, but it is not a bottomless pit. We must gain allies to bear arms with us. Failure in this has caused the American people to blame UN for the situation in Korea whereas the Defense Department is responsible because of its unwillingness stated in writing to take

any more foreign soldiers unless they could provide their own equipment due to a "diminished sense of urgency" on the part of the public in the Korean war.

The objective of tapping the great source of manpower that escapees can provide must be achieved, Mr. Lodge concluded.

10. General Crittenberger asked the Ambassador if he had personal knowledge of young men from behind the Iron Curtain who would join VFC. Mr. Lodge answered that, due to his sponsorship of the Lodge Act he had received many letters from young men asking to join the U.S. forces and that he had spent a day talking to Lodge Act recruits who told him many candidates were available. He expressed the opinions that citizenship and a chance to fight Communism would be powerful incentives and that the psychological value of a successful VFC would be tremendous.

11. General Crittenberger asked how our Allies would react to a VFC. Mr. Lodge thought they would receive it very well. He pointed out that the British Air Corps recruited Bulgarians and others in World War II and that the French have compensated for their diminishing manpower by recruiting North Africans and other nationalities for many years. On the question of possible difficulties with other nations, Mr. Lodge felt there would be no trouble if the State Department coordinated with other governments. He commented that although German law prohibits Germans from enlisting in foreign armies this would not affect VFC since its target is Iron Curtain men.

Mr. Lodge foresaw no difficulties as far as the UN Charter is concerned; he believes VFC is within its purview and that VFC troops could be attached to UN forces.

Success on all of these points, however, will take leadership and "follow-through", he said. The commander must be a man of sufficient prestige to cut through the obstacles, since anything new requires drive and imagination to "get rolling".

12. Mr. Marshall asked if there is conflict between the two inducements of (1) offering escape and U.S. citizenship to recruits and (2) offering the chance to liberate their homelands. Mr. Lodge replied that the two are separate and distinct ideas and that the prime purpose of VFC should be to get men to go to Korea or wherever else they are needed. He thought that the promise of U.S. citizenship would be very attractive and that applicants would come in numbers. The Lodge Act, he commented, had not had this result because it was unintentionally sabotaged by the Defense Department—for example by placing a major instead of a general officer in charge.

13. Mr. Marshall asked for an estimate of how far Congress will go in granting citizenship. The Ambassador replied that to put

through the Lodge Act he had to talk individually to many Senators, allay their suspicions that the Act was a way of getting around the immigration laws and convince them that citizenship granted under the Act would be a reward for service. Congress now, he said, strongly favors getting foreign troops to help us carry the load. As to details of the citizenship offer, he advised, "give as little as you can and still get your men".

14. In answer to questioning, Mr. Lodge said that Congress would be suspicious that the Communists would unload agents through VFC but that he thought the intimacy of U.S. Army life would result in closer supervision of men than the normal Immigration Service supervision. Agents have not come in under the Lodge Act since there are easier ways to enter the U.S. General Weckerling added that VFC would be a laborious way to get agents in but that the Communists would probably make special effort to infiltrate some, particularly if the program were accompanied by strong psychological exploitation.

15. General Weckerling asked Mr. Lodge's opinion on whether VFC should be limited to Europe or broadened. The Ambassador replied that he felt the program could include Kazakhs, Uzbeks and others on the USSR's Asian border. Koreans, he thought, could be of greatest advantage if used in the Korean army and Marshall DeLattre felt Indo-Chinese could similarly best be used in their own army. VFC should, in short, be kept for stateless people.

16. On the question of whether new legislation should be introduced to implement VFC or whether it should be fitted into the framework of existing legislation. Mr. Lodge advised new legislation to show Congress this is part of a total stepped-up escapee program. He hoped that State and other departments would augment VFC by programs to bring in lawyers, teachers and many others—with their wives and children. This would present emotional appeal to the U.S. public and lend support to the principle that VFC troops are not mercenaries.

17. General Weckerling asked if an attempt should be made to make VFC not only an ally of the U.S. Army but an EDC, NATO or over-all freedom force even though the U.S. foots the bill. The Ambassador thought that since U.S. money would be used, the U.S. Army should run and command the force. Field grade U.S. officers, he added, ought to look forward to commanding VFC troops as a great opportunity. Lodge Act recruits, he commented, might supply interpreters and staff officers.

18. The Ambassador said he could not fully answer General Weckerling's question on the advisability of drawing on *émigrés* who are now working as miners, farmers, etc. in other countries—such as the Poles in England—if the VFC does not attract as many

new escapees from behind the Curtain as needed at the start. Enlisting Poles in England would, however, require clearance with the British, he commented, adding that the Polish *émigrés* are reaching middle-age.

19. In answer to Mr. Taylor's question on enlisting neutrals such as Spanish and Irish, Mr. Lodge said he was not enthusiastic. A few could be recruited but it would be more desirable to have Czechs and similar nationalities who could be organized in units and battalions with distinctive nationality insignia.

20. Mr. Lodge answered Mr. Taylor's question on sending an early detachment to Korea by stating that sending a battalion as soon as it is mentally, spiritually and physically ready would have tremendous psychological impact.

21. Mr. Taylor asked whether the legislative preamble, psychological exploitation and oath of allegiance of VFC should state allegiance to the purposes and principles of UN. Mr. Lodge thought not, though he felt the question required more study than he had given it. The fact that UN is not a sovereignty raises legal questions and the oath should require the troops to obey the orders of the U.S. Army. He thought some phrase such as, "in keeping with the provisions of the UN Charter, I promise to obey the orders of the U.S. Army", might be a good idea from the standpoint of world politics. He thought this might allay contentions that the troops are mercenaries. Mr. Lodge agreed with the chairman that the program should aim always for a high plane to avoid the taint of mercenaries and commented that that is why he had named it Volunteer Freedom Corps instead of Foreign Legion.

22. Colonel Black asked the Ambassador's advice on how specific the legislation should be and how best to introduce it in Congress. Mr. Lodge recommended asking General Persons' excellent judgement, getting the White House to give it a push, and making the bill as specific as possible since nothing makes Congress more suspicious than a bill written by the executive branch in general terms and leaving details to be filled in later by the executive branch.

Mr. Lodge agreed with the chairman that it would be advantageous to have Gen. Persons appear before the committee.

23. General Ruffner asked if the psychological value of VFC outweighed the immediate value of equipping a fighting force from the 84,000 Koreans ready to fight in Korea. Under the present division of U.S. production between military and civilian output, military equipment cannot be obtained for the six extra divisions available in Korea. Yet the best way he knows to relieve the American soldier, General Ruffner said, is to relieve him in Korea where he is getting killed, which raises the question of the advisability of di-

verting equipment to VFC. The Ambassador did not think there was conflict between equipping Korean and VFC forces. It would take months to complete legislation and establishment of VFC and the Korean problem is immediate and may be ended before VFC is started. A decision will come from the White House, he thought, on the percentage of the economy that should be devoted to the military. Priorities in dividing up the military share will then be up to the Pentagon.

Enlarging on this point, Mr. Lodge commented that Congress and the American people are going to have to accept the idea that it is advantageous to make weapons available to foreign nations willing to fight with us and that this holds true whether VFC goes through or not.

24. In answer to Mr. Raffa's question, Mr. Lodge did not favor referring to the VFC as a "supplement" to U.S. forces because of the criticism expressed in UN that the "U.S. is always trying to get someone else to fight her battles".

25. General Crittenberger asked whether, in summary, the Ambassador is entirely in favor of VFC from a military and psychological point of view to which he answered yes.

26. Answering General Ruffner's question, he said he would be willing to testify before Congress in favor of the legislation and to help in any way he could.

27. The meeting adjourned at four o'clock.

No. 77

S/S–NSC files, lot 63 D 351, NSC 143 Series

Record of Meeting of the Ad Hoc Committee on NSC 143, Monday, March 30, 1953[1]

TOP SECRET [WASHINGTON,] March 31, 1953.

1. a. Members present at the meeting:

Lt. General Willis D. Crittenberger, chairman
Mr. Charles B. Marshall, State member
Maj. General Clark L. Ruffner, Defense member
Brig. General John Weckerling, CIA member
Mr. Edmund Taylor, PSB member

b. Others present:

Mr. C. D. Jackson, Special Assistant to the President (morning)
Mr. Allen W. Dulles, CIA (afternoon)

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[1]The morning session of the meeting convened at 10; the afternoon session began at 2:30.

Colonel Charles Busbee, U.S. Army, Europe
Colonel Paul C. Davis, U.S. Army, Europe
Lt. Colonel G. E. Levings, Office, Chief Legislative Liaison, U.S.A.
Lt. Colonel E. F. Black, Department of Defense
Mr. Leon Fuller, State Department
Mr. Aldo Raffa, CIA
Mrs. Margaret Grubb, Reporter

2. Distributed to the committee were:

a. Revised draft No. 2 of the proposed legislative bill.[2]
b. Memorandum prepared by the Department of Defense on cost estimates.[2]
c. Reports of meetings of March 25, 26 and 27.[3]

3. The chairman introduced Mr. Jackson and explained that the committee would like his views on the desirability and feasibility of VFC.

4. Mr. Jackson said his interest in the subject dated from the Kersten Amendment in 1951,[4] at which time he was in charge of NCFE and RFE. He watched the Kersten Amendment become a powerful propaganda weapon not for the U.S., but for the Communists. For about ten days the U.S. did not even reply to the Communist charges. (Mr. Marshall explained later that the Amendment passed quickly and that the State Department had not been notified about it.)

5. Much discussion was held on Mr. Jackson's suggestion that the VFC be organized on international lines, like the French Foreign Legion, rather than by national units. "International," he said, refers to composition rather than auspices. He felt that an international force could be used in Korea or anywhere. In his unprofessional opinion, he said, an international corps would develop better spirit and pride and would be more maneuverable than a corps organized in national units which might result in *esprit de corps* built around the theme of "marching to liberate our homelands." International organization would also, he thought, withhold from the enemy an issue which he would otherwise use as adverse propaganda. The American public, he thought, would be entirely favorable to international organization. On Congressional reaction, he suggested asking General Person's opinion.

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[2]Not found in Department of State files.

[3]The record of the Mar. 27 meeting is *supra*. The records of the Mar. 25 and Mar. 26 meetings, neither printed, indicated that the Labor Service Organization and a psychological plan for exploiting the VFC were discussed at the former and that draft legislation for the creation of the VFC was discussed at the latter. (S/S–NSC files, lot 63 D 351, NSC 143 Series)

[4]Section 101(a)(1) of the Mutual Security Act of 1951, P.L. 82-265 (65 Stat. 373), Oct. 10, 1951.

Mr. Jackson pointed out that nationalities—including Czechs and Slovaks—fraternize in RFE offices in Europe because they have a job to do. Mr. Marshall commented that the problem might be different in military training. Colonel Busbee thought that in company size mixing nationalities might cause trouble but might not in battalion size. Colonel Black commented that since national organization had worked successfully in Colonel Busbee's experience the solution might be to organize nationally in small units—companies, platoons and squads—and combine these into larger international units. He added the thought that the Jackson idea be given serious consideration; though national units have seemed best in hot war situations they might not be in cold war.

Mr. Raffa pointed out that studies of the French Foreign Legion indicated that nationalities in the Legion tend to gravitate with the result that the smaller units are national. Mr. Jackson thought this might be because recruits join in nationality blocks—Spaniards after the Spanish Civil War, Germans now.

6. The chairman explained the committee's apprehension about premature publicity of VFC and asked Mr. Jackson's opinion as to when, if approved, it should be announced. Mr. Jackson thought the outside limit should be when the President approves the plan. He would favor the President's calling in Congressonal leaders, including Kersten and Democrats *and* Republicans, and explaining to them that the NSC had submitted the plan for his approval. The Congressmen should be asked to coordinate their statements for best psychological effect. The President, he thought, should send the bill to Congress with a special message and should introduce VFC as an indication of the new initiative of the new administration.

From the standpoint of alarming the enemy, Mr. Jackson felt the initial announcement would give the greatest opportunity, implementation the second opportunity. Escapees are a troublesome area to the Communists, he said, as evidenced by the recent Czech resolution in UN.[5]

7. Answering a question by the chairman, Mr. Jackson said VFC would fit in with over-all cold war planning if properly implemented and introduced.

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[5]On Oct 15, 1952, the Czechoslovak Representative at the United Nations requested that an agenda item be scheduled concerning alleged U.S. interference in the internal affairs of other states through the medium of the Mutual Security Act of 1951, and specifically through the Kersten Amendment to the Act. A Czechoslovak draft resolution against such interference was considered by the First Committee during its meetings, Mar. 23–26, 1953. In a vote taken on Mar. 26, the draft resolution was defeated 41 to 5 with 14 abstentions.

8. Mr. Marshall pointed out that concurrence of other countries is needed and will require time. Mr. Jackson thought the project could be kept secret while it is at NSC and that concurrence with major powers might be undertaken between approval by NSC and transmission to the President. Mr. Marshall stated that he would have to ask State's area divisions how long it would take to negotiate with England, France, etc.

9. The chairman asked the speaker's opinion on UN reaction to VFC. He did not think our Allies would be "wildly enthusiastic" but believes Ambassador Lodge can skillfully handle the situation. The Soviet bloc can be expected to react loudly and fast, but one advantageous by-product of the Kersten Amendment is that it somewhat paved the way for VFC.

10. General Crittenberger asked if Mr. Jackson agreed with committee sentiment on starting VFC on a modest, austere basis of several battalions which would have good chance of success, and expanding later. Mr. Jackson was in complete agreement.

11. General Crittenberger asked how to get the greatest psychological impact out of the project. Mr. Jackson said there should be a steady flow of interesting news regarding training, activities, names of recruits, etc., and that this should be utilized on a continuous basis.

12. Mr. Marshall asked what reaction the project should aim to arouse behind the Iron Curtain. Mr. Jackson thought it should be "hope." He pointed out that some dependents will accompany applicants and arrangements must be made to care for them.

13. In answer to General Weckerling's question, Mr. Jackson expressed the opinion that the offer of U.S. citizenship would be a recruitment inducement.

14. Answering the chairman's question, Mr. Jackson thinks VFC will have great military value. Escapees are "the most miserable people in the world and will fight well under good leadership," he said.

15. General Weckerling asked whether the psychological value of VFC is greater than the military value of equipping ROKs to fight in Korea. Mr. Jackson said that he would assume that since the commission's assignment is to investigate the feasibility of VFC it could be presupposed that the two programs are not in conflict for funds. He felt that General Van Fleet's reaction in favor of arming Koreans was normal but that the committee should assume that Koreans and VFC are separate projects. He recommended, however, that the committee resolve its thinking on the questions since Congress may ask it.[6]

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[6]Paragraph 16 is missing from the source text.

17. Mr. Jackson assented to the chairman's question that the preamble or statement of purposes of VFC should set a high moral tone and would be influential in attracting recruits.

18. Mr. Jackson stated that VFC would fit in with the over-all program of taking the initiative in psychological warfare and that the sooner it was started, the better. He thought that it could not reach the target of the Soviet people, but would reach the targets of the Soviet regime and the Satellites, particularly Czechoslovakia, Hungary and Poland and to a lesser extent, Rumania and Bulgaria. He referred to VFC as a "very merchandisable" item for Satellite propaganda. VFC would, he said, "give discontented Rumanians something to hang on to," that they would communicate unrest to their Communist leaders who, in turn, would convey it to Moscow and contribute to an overload there.

On this point, Colonel Davis thought VFC would at least raise hope in Satellite countries that something is being done and that the populace might malinger and add to unrest. He said, however, that U.S. Army in Europe opinion is that appealing to military recruits is not enough and that appeals must be addressed to other groups by such methods as offering university study to intellectuals.

19. Mr. Raffa asked whether VFC should be kept on ice, in the unlikely event that the Russian peace feelers are sincere. Mr. Jackson replied that:

a. If the Russian peace moves are sincere, VFC will act as a stimulus.

b. If they aren't, VFC will strengthen U. S. position, and might stimulate sincere offers.

c. If VFC is held for the perfect X-Day, it will never be started.

20. Mr. Jackson concluded by telling the committee to count on his close and enthusiastic support. After his departure, the chairman suggested that the committee seriously consider Mr. Jackson's ideas on international composition of VFC even though they are contrary to previous thought on the subject.

21. Colonel Levings' revised draft No. 2 of the proposed VFC legislation was read and discussed point by point. Principal changes, Colonel Levings said, were: editorial; vestment of all authority in the President; and the insertion of a tentative cost limit of $50 million. He added that it is still too early to follow Mr. Lodge's suggestion of making the bill specific on as many points as possible, that the bill is still subject to change from suggestions from Congressional leaders and advisers, and that the section on military justice is still open to debate.

22. In discussion of the bill:

a. Mr. Marshall questioned the phrase, "certain freedom-loving non-citizens of the U.S." There was opinion that Congress will want this narrowed.

b. Paragraph (b) of Section 4 was deleted at Mr. Marshall's request on the grounds that it might raise objections from émigré groups.

c. On the $50 million limit in the bill it was stated that, (1) $50 million is probably as much as can be spent in a year, and half of the Kersten figure; (2) General Ruffner thought the ultimate figure should depend on what can be defended before Congress; (3) Mr. Marshall believes it should be as small as possible; (4) the figure could eventually be changed.

d. The first sentence of Section 6 was deleted.

e. It was decided to get General Persons' advice on paragraph (b) of Section 7 requiring consent of foreign governments.

f. Mr. Marshall questioned making the oath contingent upon a system of justice; this might restrict changing the system of justice. Colonel Levings will investigate this point.

g. Colonel Levings explained that Section 13, on immigration and naturalization, will be cleared with Immigration and Justice officials when security considerations permit.

h. Section 14, on authorization to the President, is a standard legislative provision.

23. The meeting recessed from 12:10 until 2:30, when the chairman introduced Mr. Allen Dulles.

24. Mr. Dulles opened his remarks by stating that a venture such as VFC is good if it works. He feels that VFC has a fair chance, but that its success is not assured.

There is danger of premature publicity having adverse effects, he said. He would like to see a pilot operation launched as a trial, and emphasized the importance of investigating all angles and of curbing overenthusiasm at the start. He thought 30,000 would be a better rough guess than 100,000 as a starting figure.

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26. The chairman asked Mr. Dulles' opinion on why the number of Iron Curtain escapees is so low. The rate is low from the USSR, in Mr. Dulles' opinion, because so little knowledge of the outside world or of freedom has entered Russia since 1917. He added that for those who have escaped, human reasons have been the incentives, not high ideals. Escapees did come from the satellite states until border controls were tightened, he said.

. . . . . .

28. General Ruffner asked whether escapees would leave their homelands to get out of them or in the hope of going back to liberate them. Mr. Dulles thought "a little of both." Not enough would

escape to effect liberation, he thought, but those who did would serve as symbols of liberation to some Czechs, Poles, etc.

. . . . . .

General Ruffner commented that from a commander's point of view, difficulties would be augmented by intermixing nationalities and mentioned the language problem.

30. The chairman asked if Mr. Dulles thought infiltration would occur to an alarming extent. Mr. Dulles did not. Colonel Busbee mentioned that a leading Bulgarian Communist penetrated the Labor Service Organization.

31. Mr. Marshall raised the point that in the President's directive, sub-paragraph (2) (d) (5)[7] comes after reference to enlistment in the Corps and that NSC should be advised that this should be reversed. The chairman reminded him that the directive need not be followed to the word.

32. Colonel Black asked if tightening of border controls due to VFC should be of serious consideration. Mr. Dulles thought the borders would be as tight, anyway, as men and money permit, and that it would not be unadvantageous to add burdens to the Soviet system.

33. The chairman asked if VFC would attract escapees from behind the Curtain. Mr. Dulles thought it would, if successfully implemented, in Czechoslovakia and Poland and to a lesser extent in Hungary and Bulgaria. He added the suggestion that rejects as well as recruits would have to be cared for and the Communists would capitalize on failure to do so. He also suggested that some may have to enlist under pseudonyms to protect relatives, which should be well-advertised from the beginning.

34. Mr. Taylor raised the question of recruiting Asians. Mr. Dulles thought the project would have to be confined to Europe at the start, except possibly for recruitment of Georgians, Armenians, etc., in Turkey—and might be expanded to Asia eventually.

. . . . . .

36. The chairman expressed surprise that Satellites might break diplomatic relations. General Ruffner commented that he had not considered that VFC might hurt populaces in the Satellite states more than help them.

37. Mr. Dulles stated that four groups—Satellites, Balkan countries, ethnic sections of Russia and Great Russians—would each

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[7]Reference is to Document 70.

raise different recruiting problems. Mr. Taylor added a fifth category—other parts of the world, such as Irish and Spanish.

38. Before leaving, Mr. Dulles expressed his full support of VFC.

39. The chairman asked Mr. Marshall to invite Mr. Stevens to speak Wednesday morning, at which time Colonel Davis and Colonel Busbee will be available for questioning. General Persons will attend a committee meeting Friday afternoon and the chairman hopes to have all staff studies completed the following week. Mr. Marshall announced that he is preparing a memo on State Department opinion which he will present to the committee next week.[8]

[8]Not printed. (S/S–NSC files, lot 63 D 351, NSC 143 Series)

No. 78

Eisenhower Library, C.D. Jackson records, 1953–56

The Special Assistant to the President (Jackson) to the Chairman of the Ad Hoc Committee on NSC 143 (Crittenberger)

SECRET [WASHINGTON,] April 10, 1953.

DEAR GENERAL CRITTENBERGER: With all the "peace talk" that is in the air these days, I imagine that an inevitable development has been some fresh doubts as to the advisability of a Volunteer Freedom Corps at this time.

It is only normal that some people should feel that such a development on our part would not only be in contradiction of our good faith in exploring all opportunities for peace, but might even be considered by the enemy a move of such threatening portent as to drive them back to their original belligerence.

If we run into this kind of thinking, we should stand up to it with vigor, because from the viewpoint of the particular business in which I am engaged, the facts and the logic and the strategy seem to call for greater rather than less emphasis of VFC.

For whatever it is worth, here is my thinking, which I tried to convey to your Committee when I appeared as a witness.[1]

The problem presents itself on the basis of three different assumptions:

1. The Russian peace overtures are sincere
2. The Russian peace overtures are insincere
3. We want to do VFC anyhow but must keep it under wraps until the perfect moment.

[1]For the substance of Jackson's testimony before Crittenberger's committee, see the record of meeting, *supra*.

Given the assumption that the Russians are sincere, why is it that they are sincere this time whereas that has never been the case prior to now? They have certainly not acquired a new morality overnight, nor a new code of genuine international ethics. All they have acquired overnight—the night that Stalin died—is fear. Therefore this new apparent sincerity is nothing more than the urgency of fear, the personal fear of individual big-shots for their future.

In that case, the creation of VFC simply adds to that fear and to that urgency, and could conceivably accelerate rather than retard peaceful developments.

On the assumption that the Russians are insincere, I think the answer is fairly obvious. The creation of VFC will not only make them aware that we see through their game but would probably unmask them through their reaction, as this is the kind of action on our part they fear greatly. Furthermore, it will be the kind of sign to the satellites for which we have been searching for a long time, and it is in the satellite area that we must look for the kind of passive unrest that will cause trouble in the Kremlin.

Not to be overlooked is the fact that we will be creating at minimum cost, and in a minimum period of time, an asset that can be of great value in our worldwide alert.

As to the assumption that we should bide our time until the "perfect" moment—this one I consider completely unrealistic. If everything is done that has to be done in order to bring this project to the point of 24-hour notice push-button activation, it will be impossible to keep it secret, and all that will result is that we will have frittered away whatever benefit we might have gotten from having taken a positive stand on (1) and (2) above.

The fundamental objectives of the Government of the United States with respect to the Soviet System have been clearly stated in a series of NSC papers—NSC 20/4, NSC 68, NSC 114, NSC 135.[2] In essence, these fundamental objectives are:

1. To bring about a retraction of Soviet power and influence from the satellites and Communist China, and thus a reduction of Soviet power and influence in world affairs.
2. To bring about a fundamental change in the nature of the Soviet System which would be reflected above all in the conduct of

[2]For text of NSC 20/4, "U.S. Objectives with Respect to the USSR to Counter Soviet Threats to U.S. Security", Nov. 23, 1948, see *Foreign Relations*, 1948, vol. I, Part 2, p. 662; for NSC 68, "U.S. Objectives and Programs for National Security," Apr. 14, 1950, see *ibid.*, 1950 vol. I, p. 234; for NSC 114, "Status and Timing of Current U.S. Programs for National Security," revised and issued as NSC 114/1 on Aug. 8, 1951, see *ibid.*, 1951, vol. I, p. 127; for NSC 135, "Reappraisal of U.S. Objectives and Strategy for National Security," revised and issued as NSC 135/3 on Sept. 25, 1952, see *ibid.*, 1952–1954, vol. II, Part 1, p. 142.

international relations by the Soviet Regime, in a manner consistent with the spirit and purpose of the United Nations Charter.

These objectives cannot be achieved simply by passive and pacific reactions to Soviet initiative. They can be achieved by consistent, positive pressure at all points of the line. VFC is an excellent example of that kind of pressure, that kind of initiative, possessing the added advantage that although it creates a military asset, it is not the kind of action which per se might precipitate total war.

Sincerely yours,

C.D. JACKSON

No. 79

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 145th Meeting of the National Security Council, Washington, May 20, 1953[1]

TOP SECRET EYES ONLY

Present at the 145th meeting of the Council were the President of the United States, presiding; the Vice President of the United States; the Acting Secretary of State; the Secretary of Defense; and the Acting Director for Mutual Security. Also present were the Secretary of the Treasury; the Director of Defense Mobilization; the United States Representative to the United Nations; the Secretary of the Army; the Secretary of the Navy; the Secretary of the Air Force; Lt. Gen. Willis D. Crittenberger, USA (Ret.) (for item 2); the Director of Central Intelligence; the Chairman, Joint Chiefs of Staff; the Chief of Staff, U.S. Army (for item 3); the Chief of Naval Operations (for item 3); General Twining for the Chief of Staff, U.S. Air Force (for item 3); the Commandant, U.S. Marine Corps (for item 3); Robert Cutler, Special Assistant to the President; C.D. Jackson, Special Assistant to the President; Maj Gen. Clark L. Ruffner, USA (for item 2); Lt. Col. Edward Black, USA (for item 2); Col. Paul T. Carroll, Military Liaison Officer; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the chief points taken.

[Here follows a briefing to the Council by Allen Dulles on significant world developments affecting United States security, including the situation in Egypt and the recent serious decline in Anglo-American relations.]

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[1]Prepared by Gleason on May 23.

2. *A Volunteer Freedom Corps* (NSC 143 and NSC 143/1; NSC Action No. 724; Memo for NSC from Executive Secretary, same subject, dated May 15, 1953[2])

General Crittenberger briefed the Council on the subject report (NSC 143/1) with particular reference to the costs of the project, to illustrate which he distributed charts to the members of the Council.

At the conclusion of General Crittenberger's oral statement, the President said he was not clear as to whether the report recommended that the commanders of the battalions of the Volunteer Freedom Corps were to be in all cases Americans.

General Crittenberger answered that in most cases this would be the rule, although there could certainly be an exception to it if a very competent foreigner demonstrated a capacity for leadership which would warrant placing him in command of a battalion.

The President then inquired whether General Crittenberger's committee envisaged the possibility of sending any of the battalions of the VFC for combat service in Korea.

General Crittenberger replied that if one or more of the battalions developed capabilities which would justify its despatch to Korea, there was no reason why this could not be done. He doubted, however, that this would be likely at an early date.

The President observed that the development might be hastened if the inducement of United States citizenship at the end of three years, instead of at the end of five, could be held out to members of the VFC who served in Korea.

Mr. Cutler then inquired of Ambassador Lodge his view of NSC 143/1.

Ambassador Lodge commenced by indicating that since the VFC was an instrumentality to be used in the cold war, its role would obviously have to be subordinated to the objectives of our foreign policy, and the State Department would have to control its use. With this limitation in mind, however, Ambassador Lodge believed that the VFC would be valuable to this Government in a number of ways. It would provide us with new intelligence material. It might prove very helpful in developing leadership against future contingencies in Eastern Europe. It was highly desirable also from the point of view of American public opinion, which erroneously believed that we were doing all the fighting in the Far East. Finally,

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[2]NSC 143, Document 70; NSC 143/1, "A Volunteer Freedom Corps," May 5, became, subject to the textual change specified in NSC 143/2, *infra*; NSC Action No. 724 was the directive contained in the NSC memorandum of discussion, Document 73; Lay's memorandum of May 15 transmitted to the NSC the views of the Joint Chiefs of Staff on NSC 143/1. (S/S–NSC files, lot 63 D 351, NSC 143 Series)

there was no doubt in Ambassador Lodge's mind that the creation of the VFC would be very disquieting to the Soviets. They found it painful in the extreme to contemplate any kind of defection, and it was highly desirable that their disquiet be increased.

The President noted that Soviet fear of defection was precisely what was causing them to take their present position regarding prisoners of war in Korea.

Mr. Jackson expressed complete agreement with the views of Ambassador Lodge, and added that, from the point of view of his own responsibility for cold war operations, the VFC would prove of great value. He warned, however, that announcement of the activation of the Corps and publicity about it needed to be most carefully worked out in advance, in order to avoid the misunderstanding attendant upon announcement of the Kersten Amendment earlier. It also seemed important to Mr. Jackson that as soon as possible a unit of the VFC be transferred outside of Germany where these forces would be trained. Otherwise the Russians were certain to argue that the United States was preparing battalions of ruffians to rape and ravage the satellite states.

It then became the turn of Secretary Smith to express his views on the VFC. Secretary Smith stated that he recognized all the advantages which creation of the Corps would confer, but he did wish to point out that there were disadvantages. He noted that it was going to cost some $71 million over a period of years to create the six battalions initially contemplated in the report. While this would be cheaper than the cost of an equivalent number of U.S. troops, there were other methods of raising forces in Europe which would be less costly. You could, for example, produce many more West German battalions if EDC was ratified, for what it would cost to produce six battalions of the VFC.

In response, the President pointed out that the raising of the West German military contingents was primarily the responsibility of the Bonn Government, and our role was merely to assist that Government in raising these troops. He did not think, therefore, that the VFC was incompatible with the regular German contingents, and we wanted both.

Secretary Smith then said that apart from the doubtful economy of the VFC, there were also elements of danger from a psychological point of view. The Soviets were certain to raise the issue of the VFC in the United Nations. Ambassador Lodge would have to handle that problem. But we should be prepared to face a barrage of Soviet propaganda to the effect that the members of the VFC were mere cannonfodder for the United States. The creation of the Corps would likewise cause another hassle with our allies. They will be frightened of the proposal, as they have lately become

frightened of every other move we made. The VFC might conceivably have a bad effect on the prospects for ratification of the EDC. In conclusion, therefore, Secretary Smith stated that he felt obliged to point out that the VFC was not an unmixed blessing, either psychologically or economically.

General Bradley stated that the Joint Chiefs believed the proposal feasible if it were initiated on an austere basis. The effectiveness of the Corps would depend, however, on continued support, financial and otherwise, from the Congress. The principal value of the project, continued General Bradley, would be in the psychological field. General Bradley also expressed agreement with the doubts raised by Secretary Smith, and notably did not feel that it would be honest to attempt to sell the VFC to Secretary Humphrey on the basis of economy. General Bradley also spoke emphatically against any argument that battalions of the VFC should be looked upon as replacements for American battalions. Most American soldiers came home from their service in the Army better citizens than when they went.

Mr. Cutler reminded the Council that there was no idea that the VFC was to replace a like number of U.S. soldiers, but that it was designed to augment American military manpower.

Secretary Wilson also expressed the opinion that the factor of economy in the creation of the VFC was less important than other advantages that it would confer. He believed that the kind of individuals that would be recruited in Germany for the Corps would in the future become useful American citizens. He believed that it might even be wise to allow them to transfer from the VFC into our own armed forces, and after serving in the latter for five years, be given the reward of U.S. citizenship. According to Secretary Wilson, such an arrangement would confer on the United States the benefit of a five-year period of service, and would enable the Defense Department to avoid drafting a certain number of American citizens for military service, with all the disruptions in their normal life that such service involved.

All these factors seemed more important to Secretary Wilson than the savings in money.

Secretary Humphrey also agreed that in the first phase, at least, of the VFC there was no financial problem, since the outlay would be very small and the number of battalions only six. If the VFC developed into a larger undertaking, we would have to take a new look at the financial aspects.

Ambassador Lodge interposed to express his strong conviction that there was no substitute for military service for our own young men. VFC, in his view, was an augmentation of our military manpower and not a substitute.

Reverting to the question of difference in pay between the VFC and our own troops, the President expressed the conviction that it was perfectly possible to create an effective VFC even though its members were paid less than American troops. We had had excellent results with such forces as the Philippine Scouts, whose pay was less than that of our own armed forces. The President stated his agreement with Secretary Wilson's point that we were trying to make this group worthy of U.S. citizenship.

The President went on to warn of the dangers of leaks about the VFC prior to its activation. No one should talk of the subject until we were ready to lay our plans for creating this force before the Congress. It was a very touchy subject.

The Vice President informed the Council that he anticipated no difficulty in selling the idea of the VFC to the Congress. They would love it, and would be ready to buy the proposal as soon as the Executive branch was ready to offer it.

Secretary Smith expressed the opinion that leaks were more likely to come when we reached the point of discussing the proposed Corps with our allies.

General Collins, speaking as Chief of Staff of the Army, noted his support of the project and particularly his agreement with Ambassador Lodge's position that we must not look upon the VFC as a substitute for military service by our own young men.

The President quickly replied that he had never had any such idea in mind. This was a very modest beginning for something which might grow and develop, and he again warned of the need for careful and correct handling from this point on, in order to ensure that no false impressions were broadcast as to the purposes of the Volunteer Freedom Corps.

The National Security Council:

a. Discussed the subject in the light of an oral briefing by General Crittenberger and comments by Ambassador Lodge.

b. Adopted the draft statement of policy on the subject contained in NSC 143/1, subject to the insertion of the words "commanded by United States officers and" at the end of the first line of sub-paragraph 3–e thereof.

c. Noted the President's desire that General Crittenberger, with the aid of Major General Clark L. Ruffner, should continue to assist in the development of this project until such time as the Volunteer Freedom Corps is ready to be activated.

d. Noted the President's desire that the Department of State expedite action under paragraph 4 of the draft statement of policy in NSC 143/1.

e. Noted the President's directive that there be no public disclosure or discussion of this project until such time as it is officially announced.

Note: The statement of policy in NSC 143/1, as approved by the President, subsequently circulated as NSC 143/2 and transmitted to the Secretaries of State and Defense for implementation.

[Here follows discussion concerning possible courses of action in Korea and negotiations with Spain.]

S. EVERETT GLEASON

No. 86

S/S-NSC files, lot 63 D 351, NSC 143 Series

Report to the National Security Council by the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET [WASHINGTON,] May 20, 1953.
NSC 143/2

STATEMENT OF POLICY BY THE NATIONAL SECURITY COUNCIL ON A VOLUNTEER FREEDOM CORPS

1. In the interest of the national security and to the end of strengthening the capability of the free world to resist aggression, and in accordance with the principles and purposes of the United Nations Charter, a Volunteer Freedom Corps should be established. Its purpose would be to provide additional combat manpower whereby "Volunteers for Freedom" of many nationalities, who otherwise do not have the opportunity to bear arms in defense of freedom, can share with the youth of the United States and its allies in the world struggle against Soviet Communism.

2. Initially this program should be carried out on a modest and austere basis by the formation of several battalions of volunteers from anti-Soviet personnel, other than Germans, escaped from the European Iron Curtain countries, including the U.S.S.R. Such battalions should be trained in West Germany. These battalions would form the cadre units for further orderly development if an emergency arose or more volunteers became available. Emphasis should be placed on exploiting the psychological aspects of this project in a manner to further United States national objectives.

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[1]In addition to the Statement of Policy printed here, NSC 143/2 consisted of a cover sheet, a note by Lay to the NSC, and the staff study prepared by the Crittenberger Committee (see Document 74). Lay's note, May 20, indicated the change made in NSC 143/1 at the May 20 NSC meeting (see the memorandum of discussion, *supra*) and communicated the President's desires to have Crittenberger remain available for implementing the VFC, to charge the Department of State with expediting the action recommended in paragraph 4 of the Statement of Policy, and to hold NSC 143/2 temporarily secret.

3. The Volunteer Freedom Corps should be organized along the following lines:

a. The United States Army, under appropriate legislative authority, should support a Volunteer Freedom Corps composed of infantry battalions and supporting units. The United States Army is selected as the executive agency to accomplish this implementation because arms, training, and maintenance should be provided by the United States.

b. With concurrence from the Department of State, the Army may establish distinctive shoulder patches, insignia, flags, ceremonies, etc. for any nationality participating in the Corps.

c. To obtain voluntary enlistments, the United States as necessary or expedient should carry on an active recruiting campaign. The name "Volunteer Freedom Corps" emphasizes that persons enlisting therein are not in any way mercenaries or soldiers of fortune, but are sincere, convinced, anti-Soviet volunteers for freedom.

d. Upon enlistment in the Corps:

(1) A volunteer will take an oath of obedience to the military orders of his officers.

(2) A volunteer will be paid in accordance with a schedule similar to the armies of countries in the European Defense Community, but not to exceed three-fourths of the United States Army base pay schedule.

(3) A volunteer's dependents will not be the responsibility of the United States Army nor the Volunteer Freedom Corps.

e. Units of the Volunteer Freedom Corps should be commanded by United States officers and attached to divisions, either of United States or of United Nations forces, as deemed at the time most advantageous.

f. A system of military justice equivalent, for all practical purposes, to that provided for members of the armed forces of the United States should be established for the Volunteer Freedom Corps.

g. Any person who has performed satisfactory service in the Volunteer Freedom Corps for three years, should, if otherwise admissible under the immigration laws, be admitted to the United States as non-quota immigrant; and naturalization should be permitted after two years residence in the United States and compliance otherwise with the provisions of the naturalization laws.

4. Diplomatic approaches should be made to obtain the advance concurrence of the Government of the Federal Republic of Germany to the formation of the Volunteer Freedom Corps within its borders. The UK and French Governments should be informed in advance of contemplated action to initiate the Volunteer Freedom Corps.[2]

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[2]In circular airgram 7, June 1, the Department of State transmitted to the Chiefs of Mission in London, Paris, and Bonn an outline of the plan for the Volunteer

Continued

5. Within the limits determined in the above approaches to other governments concerned, necessary legislative authority should be sought from the Congress for the Volunteer Freedom Corps project.

6. Until it becomes psychologically advantageous to announce the project, the most exacting precautions should be taken to insure the secrecy of the undertaking during its preparatory stages so as to avoid prematurely committing the prestige of the United States.

7. If future conditions warrant, the National Security Council should give consideration to expansion of the Volunteer Freedom Corps in over-all strength and to inclusion of personnel from other areas. The existence of any plans for such future expansion, even in highly tentative form, should be scrupulously withheld from disclosure to the public and to other governments to avoid unnecessarily jeopardizing the initial plan and causing undue harm to the prestige of the United States.

8. In the event of delay in the initiation of the Volunteer Freedom Corps project, and upon instruction of the National Security Council, there should be put into effect an interim proposal designed to expand the existing Labor Service Organization in Germany until such time as it is considered desirable or possible to undertake the Volunteer Freedom Corps program. Funds for the interim project should be made available to the Department of Defense by the Director for Mutual Security, under the Kersten Amendment.

Freedom Corps and a stricture against using this outline in conversations with representatives of the respective governments until receipt of further notification from Washington. (740.5/6-153) This stricture was included at the behest of C.D. Jackson during a meeting on May 29 in which Jackson expressed reservations about the timing of such an approach with the Korean armistice talks underway and the Bermuda Conference imminent. (Memorandum by Barbour to Smith, May 30; 740.5/5-3053)

No. 81

762B.00/6-2353

Memorandum by the Counselor of the Department of State (MacArthur) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] June 23, 1953.

Subject: "Volunteer Freedom Corps"

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[1]Also sent to Under Secretary Smith. In the margin of the source text O'Connor wrote: "Doug—Sec saw 24 June—RLO'C".

In the light of the *Pravda* editorial which links recent events in Korea and East Germany, and makes specific mention of US activities under the Kersten Amendment,[2] I have definite reservations regarding the wisdom of raising the question of the "Volunteer Freedom Corps" with our European friends and allies at this particular time.

The Communist propaganda apparatus will, of course, exploit to the hilt our efforts to establish a Volunteer Freedom Corps. This worries me less than the fact that I fear some of our friends will think that by our actions we are responsible for keeping the East-West temperature at a very high level. In essence, I fear that by pushing the Volunteer Freedom Corps at this time we will produce exactly the opposite psychological effect from the one we desire.[3]

DOUGLAS MACARTHUR II

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[2]Section 101(a) (1) of the Mutual Security Act of 1951, P.L. 82-165 (65 Stat. 373), Oct. 10, 1951.

[3]In spite of this memorandum, the Department of State in circular airgram 3146, June 26, instructed the Chiefs of Mission in London, Paris, and Bonn to proceed with the approach outlined in circular airgram 7, June 1 (see footnote 2, *supra*). (740.5/6-2653)

No. 82

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 153d Meeting of the National Security Council, Washington, July 9, 1953[1]

TOP SECRET EYES ONLY

The following were present at the 153rd meeting of the Council: The President of the United States, Presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; the Deputy Director for Mutual Security; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Chairman, Federal Communications Commission (for Item 1); General Collins for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; Robert Cutler, Special Assistant to the President; C. D. Jackson, Special Assistant to the President; Colonel Paul T. Carroll, Acting White House Staff Secretary; Ralph Clark, Central Intelligence Agency (for Item 1); Commander Perry Johnson, USN, Central Intelligence Agency (for Item 1); J. J. Hitchcock, Central Intelligence Agency (for Items 1 and 2); the

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[1]Prepared by Gleason on July 10.

Acting Executive Secretary, NSC; and Hugh D. Farley, NSC Special Staff Member.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion concerning electro-magnetic communications, significant world developments affecting United States security, the situation in Korea, United States objectives and policies with respect to the Near East, the security of strategically important industrial operations in foreign countries, possibilities of reducing United States civilian population in sensitive areas abroad, and continental defense.]

8. Volunteer Freedom Corps (NSC 143/2)[2]

Mr. C. D. Jackson pointed out that some ten days ago messages had been sent to the appropriate Chiefs of Mission, indicating that they should take up at once with the governments to which they were accredited the question of implementation of the Volunteer Freedom Corps. So far we had had only one informal response, namely, from Great Britain, and it had been generally favorable.[3] In view of the recent developments in East Germany and among the satellites, continued Mr. Jackson, it seemed more urgent than ever that we get started on the VFC. He thought it likely that this subject would come up in the forthcoming meeting of the Foreign Ministers in Washington,[4] but whether it did or not Mr. Jackson said that he hoped that the NSC would be willing to recommend, and that the President would be willing to order, the activation of the VFC, and that announcement of this action could be made at the conclusion of the Foreign Ministers meeting.

Secretary Dulles said he thought it would be a mistake to follow Mr. Jackson's recommendation until we had had further indication from abroad, and particularly from Chancellor Adenauer, as to reactions to this proposal.

The Vice President asked the Secretary of State if he thought it likely that the Foreign Ministers of France and Great Britain would press for a four-power conference in the near future.

Secretary Dulles replied that he thought this very likely.

The President, however, was more skeptical of the weight of this pressure, and said that if it came, Secretary Dulles should tell his

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[2]Document 80.

[3]In telegram 6894 from London, Aldrich reported that he had spoken with Salisbury about the VFC and that Salisbury had given his informal concurrence, subject to consultation with other members of the government. (740.5/6–3053)

[4]For documentation concerning the Washington Tripartite Foreign Ministers meetings, July 10–14, see vol. v, Part 2, pp. 1582 ff.

colleagues to go ahead and arrange their own conference with the Russians.

The National Security Council:

Noted a report by Mr. C. D. Jackson that delay in public announcement of the Volunteer Freedom Corps was occasioned by lack of response from certain of our allies to inquiries addressed to them, and his request that the State Department expedite obtaining such responses.[5]

[Here follows discussion of foreign reactions to administration policies.]

S. EVERETT GLEASON

[5]In telegrams 93 to Bonn, 107 to Paris, and 148 to London, July 9, the Department of State requested reports of the status of the VFC negotiations at each post. (740.5/7-953)

No. 83

740.5/7-1153:Telegram

The Chargé in France (Achilles) to the Department of State[1]

TOP SECRET PARIS, July 11, 1953—2 p. m.

164. Limited distribution. ReDeptel 107, July 9.[2] We received today initial reaction from French Foreign Office. Laloy had the following to say:

1. For several years Polish General Anders had been endeavoring to persuade French military and political leaders his concept of a sort of "Freedom Corps" composed of Polish units to be organized in the West. French have never viewed Anders' concept favorably.
2. The organization of "Freedom Corps" units would have little efficacy from a purely military point of view.
3. As a gambit of political and psychological warfare behind the Iron Curtain, Laloy considered the project as of dubious value, particularly at the present juncture.
4. As to the effect formation of "Freedom Corps" units would have upon the Kremlin, Laloy's view was that it would provide the Russians with exceedingly valuable propaganda material in the "peace campaign" to the effect that the West (or the United States) was preparing for war, et cetera.
5. The effect in France would be "disastrous" and considered as highly provocative and a step in the direction of war.

Laloy stated he felt sure that Parodi and La Tournelle would agree with the foregoing points but assured me that he would

[1]Repeated for information to London and Bonn.
[2]See footnote 5, *supra*.

speak to them over the weekend and provide us on Monday morning with an authoritative Foreign Office view.

We stressed the continuing need for secrecy and Laloy said that only Maurice Schumann, Parodi and La Tournelle would be brought into the picture. He added that in view of recent events in the Soviet Union this would be the worst possible time to go forward with the organization of "Freedom Corps" units.

We suggest that Department may care to take up this entire matter with Mr. Bidault in Washington.[3]

ACHILLES

[3]Bidault was in Washington for the Tripartite Foreign Ministers meeting July 10–14.

No. 84

740.5/7-1153: Telegram

The United States High Commissioner for Germany (Conant) to the Department of State

TOP SECRET BONN, July 11, 1953—7 p. m.

196. Reference: Circular Airgram Control 3146 of June 26, 1953.[1] Hallstein has informed us after conferring with Chancellor that Federal Republic would not be agreeable to formation, training and stationing in Germany of volunteer battalions on non-Germans from behind iron curtain.

Federal Republic Government thought Soviet Government would be bound to regard such action as provocative and as evidence of aggressive intentions against USSR. Such move would also arouse strong criticism of Adenauer Government and US within Germany, and probably in other European countries.

Queried as to government's attitude toward recruitment such non-Germans within Germany for purpose indicated, Hallstein replied he thought there would be no objection and that matter could be worked out if such recruits were moved abroad for training and posting.

Our impression was that above reaction was not necessarily final and that Chancellor may be more receptive to idea at later date, say after successful elections.[2]

CONANT

[1]See footnote 3, Document 81.

[2]In telegram 185 from London, July 10, Holmes replied to the Department's query concerning the negotiations by stating that, despite Salisbury's assurances (see foot-

Continued

No. 85

740.5/9-2153

Memorandum by the Special Assistant to the President (Cutler) to the Under Secretary of State (Smith)

TOP SECRET WASHINGTON, September 21, 1953.

On September 20, the President read your memorandum to me, September 14/53,[1] relative to the need at this time for delay in taking further action on the Volunteer Freedom Corps.

He accepted your views for the time being.

In conversation about the basic idea, he later suggested that perhaps, instead of *our* doing it as an American venture carried on in West Germany, the concept might be worked out as a West German venture carried on by West Germany in West Germany but financed by the U.S.A.

This is a novel turn to the idea, the pros and cons of which might be explored by OCB—if you thought it desirable—so that after testing a report could be carried back to the President. What do you think?

Is General Crittenberger being alerted to the decision as to further delay? This matter has been under the wing of PSB-OCB-CDJ in the past. I will do whatever you wish, in this regard.

ROBERT CUTLER

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note 3, Document 82), the British Government appeared to be concerned about the timing of the VFC, and cited the upcoming German elections in this connection. (740.5/7-1053)

[1]The memorandum opposed the view expressed by C. D. Jackson in a memorandum to Cutler, Sept. 8, that Conant should be instructed to take up once again with Adenauer the question of the VFC, now that the German elections were over. In his memorandum, Smith argued against issuing such instructions on the grounds that they could jeopardize the four-power conference then being discussed. (Secretary's Letters, lot 56 D 459, "DOD—1953-54")

No. 86

Secretary's Letters, lot 56 D 459, "DOD—1953–54"

Memorandum by the Under Secretary of State (Smith) to the Special Assistant to the President (Cutler)[1]

TOP SECRET [WASHINGTON,] October 14, 1953.

Subject: Suggested West German Sponsorship of Volunteer Freedom Corps

Your memorandum of September 21[2] stated that the President had suggested that in view of the difficulties in the way of organizing a VFC under American sponsorship at this time the project might be carried out by the Bonn Government with American financial support.

While this variation would have the advantage of disassociating the United States with responsibility for the project provided it were possible to conceal the source of funds, there are several reasons against proceeding on this basis:

1. The Federal Republic has only recently begun to consider its future policy with regard to Eastern Europe. Any effort to organize East European refugees would automatically involve the Federal Republic in what might be considered an aggressive Eastern European policy. The Germans would probably be reluctant to do this before they have had time to consider more carefully what their policy toward Eastern Europe will be. They would almost certainly be reluctant to organize Eastern European troops before they were authorized to organize their own.
2. The British, and particularly the French, both of whom opposed the original proposal, would have stronger objections to the formation of these units under West German command.
3. In view of the French reaction, which could be expected to be violent, prospects for the ratification of EDC by the French Parliament would be diminished.
4. In view of the German record in Eastern Europe during the last war it is doubtful that many refugees from that area would volunteer for service in a Freedom Corps under German command.
5. The principal argument for the formation of VFC units at this time is the propaganda effect such a move would have behind the Iron Curtain, particularly by increasing the rate of defection. German sponsorship of the VFC would inevitably be seized upon by Soviet propaganda as a move in the direction of a recreation of units such as were formed by the Nazis from Soviet prisoners of war in the latter stages of World War II. The propaganda effect of such a move would almost certainly represent a net loss for the West.

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[1] Drafted by Stevens on Oct. 1 and cleared with Bonbright, Lewis, MacArthur, and Bowie.

[2] *Supra.*

In short the Department does not believe that it would be desirable to propose that the Federal Republic organize VFC units at this time nor does it believe that the Germans, British or French would agree to such a proposal.

WALTER B. SMITH

No. 87

Eisenhower Library, C.D. Jackson records, 1953–56

The Special Assistant to the President (Jackson) to Lieutenant General Willis D. Crittenberger

SECRET [WASHINGTON,] March 15, 1954.

DEAR GENERAL CRITTENBERGER: I am naturally delighted that you will be going to Europe soon to discuss with Ambassadors Dillon and Conant and General Handy and others the idea of the Volunteer Freedom Corps.[1]

This trip of yours brings closer to realization an idea originally proposed by the President and on which many of us, and above all yourself, have put in much time and thought.

Many months and many events have passed since NSC approved setting up the special *Ad Hoc* Crittenberger Committee to study the idea of a Volunteer Freedom Corps and produce a workable plan.

And, during these months, there has always been in the future some looming event which made it inadvisable to push the proposition. First it was the German elections. And then it was Bermuda. And then it was Berlin. And then it was French ratification of EDC. I have not yet heard Geneva mentioned in this connection, but I am sure that if pressed someone would mention the name of that peaceful town.

To my mind, the reasons for the creation of VFC according to the present plan, which goodness knows is modest enough, are more cogent than ever.

After listening to Mr. Molotov for one month in Berlin, there can no longer be any doubt as to the basic fact that he can neither be

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[1]In a letter of Nov. 20, 1953, President Eisenhower requested Crittenberger to visit London, Paris, and Bonn to explain to the U.S. Chiefs of Mission the importance of the Volunteer Freedom Corps. (Eisenhower Library, C.D. Jackson records, 1953–56) Crittenberger discussed the plan with Aldrich during the latter's visit to Washington in late December, but nevertheless stopped in London during his European tour to discuss the matter once again. Accounts of Crittenberger's conversations are in the memorandum by Barbour, *infra*, and Crittenberger's report of May 11, Document 89.

appeased nor provoked. Furthermore, he stated as a flat fact during one of the sessions that our present labor battalions were a militarily trained and equipped paramilitary police force, so that, with only mild sarcasm, if VFC were to come into being, it would save Mr. Molotov from being a liar.

There is no question but that the creation of this force would represent an appreciable relief to the German economy. It would stimulate the kind of defection we want from the satellite countries; it would supply a nucleus of dedicated trained young men for eventual use in the dreadful emergencies which we can foresee in the future; it would in the long run, and on the assumption that their training and indoctrination and integration would be well handled by the Army, produce an international group which could be of inestimable value if and when liberation of the satellite belt were to be near. When that day comes, we will be plagued with Slovak Separatism and German Sudeten problems and Oder Neisse lines and goodness knows what Transylvanian difficulties. At that time the existence of American trained and integrated soldiers of various satellite nationalities could tip the balance against eventual civil wars which might have to be suppressed by American arms, with the resultant bloodshed and hatred.

VFC would also clip the wings, pull the teeth, and reduce the nuisance value of the free-wheeling Generals-in-exile, with their imaginary but politically potent legions and divisions.

An American political by-product of VFC would be that the large number of Congressmen with foreign-born and hyphenated constituencies who are today prey to all kinds of separatist and irredentist pressures would find in VFC something to which they could point as a political safety valve.

And then there is the simple military thought that in these days of perpetual armed alert it is to the interest of American security and American defense economics to have such a group of soldiers who do not have to be surrounded by mobile breweries, ice cream factories, Coca Cola bottling plants, dependents, and all the expensive marginal trappings which we have allowed over the years to creep up on our military establishment.

I don't think that there is ever going to be a time short of actual war when all of our allies will be enthusiastically for such a project; and the President never felt that this was a *sine qua non.*

Our British and French allies are not being asked for permission to do this; they are being asked for their reaction to the plan—a reaction which we expect to be luke warm. It is only if they are strongly opposed that we would consider this a major deterrent.

The really controlling factor is German reaction, since Germany will have to be the host country. If Bonn turns down VFC, then the

deal is off. But if Bonn approves it, even though London and Paris do not cheer, I feel pretty certain that the President and NSC would want to move ahead.

However, as I understand it from earlier conversations, your trip is not for the purpose of getting a yes or a no out of anyone. It is simply to get the American principals involved thoroughly to understand what VFC is. Then, when the decision to move ahead has been made in Washington, and the signal is flashed to them to sound out the Governments to which they are accredited, they will know in detail what it is they are talking about and will not consider this a routine query.

Kindest regards and very best wishes.

Sincerely yours,

C.D. JACKSON

No. 88

100.4 OCB/5-454

Memorandum by the Director of the Office of Eastern European Affairs (Barbour) to the Deputy Assistant Secretary of State for European Affairs (Elbrick)

TOP SECRET [WASHINGTON,] May 4, 1954.

I attended in your stead a meeting held today of the *ad hoc* working group for the implementation of NSC 143/2.[1]

General Crittenberger reported on his recent trip to Europe and his conversations in connection with this project with Ambassadors Aldrich, Dillon and Conant and the military officers involved, specifically Generals Gruenther, Handy, Cook and Hogue. General Crittenberger stated that the view was unanimous among all the civilian and military people he talked to that no action should be taken on this project pending either the ratification of EDC or a decision that ratification is impossible. In the event EDC comes into effect, Ambassador Conant felt that Adenauer's prestige would be sufficiently increased to permit him considerable leeway in matters of this kind and his agreement to this project might then be obtainable.

Ambassadors Dillon and Aldrich also felt that it will be easier to obtain French and British concurrence if EDC is ratified. In the event that EDC does not go through and the "agonizing reappraisal" becomes necessary, it was the unanimous view of the individ-

[1]Document 80.

uals with whom General Crittenberger talked that this project should be considered further in connection with that appraisal. It was the general view that in those circumstances there might be additional factors which would increase the desirabiilty of this project.

General Crittenberger told the *ad hoc* committee that he had reported in the same sense to the President this morning, adding his recommendation in support of the views of the Ambassadors and the military that further consideration should be postponed pending the outcome of our efforts to obtain the EDC. He said that the President agreed with this view.

General Crittenberger suggested, and it was agreed by the *ad hoc* committee, that his report to the committee[2] should be put in proper form to constitute a Committee Report to OCB and be circulated to the committee members for further clearance before transmission to the OCB. It was further agreed, on General Crittenberger's suggestion, that having submitted the contemplated report to the OCB, the committee will regard the work as completed, pending the receipt of notification that EDC has come into effect or that further efforts to obtain EDC ratification have been abandoned.

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[2]*Infra.*

No. 89

S/S–NSC files, lot 63 D 351, NSC 5435 Series

Memorandum by Lieutenant General Willis D. Crittenberger to the Operations Coordinating Board[1]

TOP SECRET [WASHINGTON,] May 11, 1954.

Subject: Timing of the Implementation of the VFC

1. In compliance with orders given me by the President of the United States I have visited France, Western Germany, and Great Britain where I conferred with U.S. diplomatic and military repre-

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[1]This memorandum, together with the report by the OCB *ad hoc* working group on the implementation of NSC 143/2, *infra*, formed the substance of NSC 5435/1, "Expansion of the Labor Service Organization in Germany," Oct. 18, approved by the President on Oct. 16. In addition to these two papers, NSC 5435/1 included a cover sheet; a memorandum by Lay to the NSC, Oct. 18, noting that the NSC approved the policy on Oct. 14; a list of approved recommendations identical to those contained in the *ad hoc* working group report of Sept. 8; and a memorandum by Staats, Sept. 29, transmitting the Crittenberger memorandum and the *ad hoc* working group report to Lay for presentation to the NSC.

sentatives regarding the implementation of the Volunteer Freedom Corps.

2. The consensus of opinion of both the diplomatic and military representatives was that:

(a) The VFC should be held in abeyance until the problem of EDC is resolved in order to avoid the risk of prejudicing the success of EDC.

(b) If EDC is accepted and ratified the time would be appropriate to consider the implementation of VFC.

(c) VFC should be reconsidered in the reappraisal of the military situation should EDC be rejected. VFC would offer certain advantages. It might add substance to our Armed Forces in enhancing their prestige with the satellite peoples through escapee enlistment in VFC. It would also demonstrate to the captive peoples behind the iron curtain our interest in them.

(d) The reaction of West Germany is the principal one to consider.

3. In arriving at the foregoing opinions, the following individuals were consulted:

(a) Ambassador C. Douglas Dillon, United States Ambassador to France.

(b) Ambassador James B. Conant, United States Ambassador to Western Germany.

(c) Ambassador Winthrop W. Aldrich, United States Ambassador to England.

(d) Generals Alfred M. Gruenther, Thomas T. Handy, Orval R. Cook, and William M. Hoge.

The Generals agreed that technically the VFC presents no insurmountable difficulty, although politically it would seem best to hold implementation in abeyance until EDC was resolved.

4. I discussed the LSU's with the military and found them highly appreciative of that organization. An opinion was expressed that were VFC to be formed, it might be well to avoid transferring personnel out of LSU into the VFC, and instead, recruit VFC volunteers from other sources. This would avoid interruption of the smooth functioning of LSU, although the qualifications of certain LSU personnel for VFC is recognized.

5. I did not discuss the matter of recruiting escapees from within the USSR.

6. In company with General Robert Cutler I have reported my observations to the President as in agreement with the opinions of the diplomatic and military personnel set forth in the preceding paragraphs.

7. I have met with my *ad hoc* working group and discussed with them my trip abroad. At this meeting the suggestion of the member from the Bureau of the Budget that his Bureau continue

working on the Executive Order was confirmed. At the conclusion of the meeting, the *Ad Hoc* Committee was adjourned until such time as they may be required.

Recommendations

It is recommended that the Operations Coordinating Board take the following actions:

(1) Hold the implementation of the VFC in abeyance until the fate of EDC is resolved.

(2) When the problem of the EDC is resolved, favorably or unfavorably, re-examine the plan and consider it in the light of the factors which may then exist.

WILLIS D. CRITTENBERGER

No. 90

S/S–NSC files, lot 63 D 351, NSC 5435 Series

Report by the OCB Ad Hoc Working Group on the Implementation of NSC 143/2 to the Operations Coordinating Board[1]

TOP SECRET [WASHINGTON,] September 8, 1954.

IMPLEMENTATION OF PARAGRAPH 8 OF NSC 143/2[2]

PURPOSE

1. Paragraph 8 of NSC 143/2 states that:

"In the event of delay in the initiation of the Volunteer Freedom Corps project and upon instruction of the NSC, there should be put into effect an interim proposal designed to expand the existing Labor Service Organization in Germany . . ."[3]

2. On June 8, 1954, the Department of Defense submitted to the Operations Coordinating Board a memorandum recommending the expansion of the Labor Service Organization, (LSO's)[4] Germany. The Board considered the memorandum at their meeting of June 10, 1954. The minutes of the meeting record the Board's action as follows:

"*Agenda Item 3*—Report by the Department of Defense on paragraph 8 of NSC 143/2

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[1]This report, together with Crittenberger's memorandum, *supra*, formed the substance of NSC 5435/1; for a description of NSC 5435/1, see footnote 1, *supra*.

[2]Document 80.

[3]Ellipsis in the source text.

[4]Not found in Department of State files.

(a) "Noted the report and agreed in principle that the labor service units should be expanded.

(b) "Agreed that the report should be referred to an *ad hoc* working group chaired by Defense to give further consideration to the question of how much should the LSU's be expanded and whether or not the Soviet nationals should be enlisted therein. Also agreed that the *ad hoc* working group should prepare a draft report to the NSC making certain recommendations based on the Defense report and further Board discussion at this meetng."

3. In accordance with the directive of the OCB, this paper is submitted by the *ad hoc* working group.

FACTS BEARING ON THE PROBLEM

1. In the total current strength of the LSO (approximately 26,500), there are about 10,600 Eastern Europeans and about 15,900 Germans. No USSR nationals are now included. Within two years after the contractual agreements with the West German Government take effect, all of the German personnel must be discharged from the Labor Service Organization.

2. There are available in Europe, within the FOA Escapee Program case load, an estimated 6,000 males from the Soviet Orbit between the ages of 18 and 45 (about 5,000 from Eastern Europe, and 1,000 from the Soviet Union). This group, plus the large number of escapees and refugees not registered with the Escapee Program, roughly two-thirds of which are located in Germany and Austria, could furnish a pool from which new recruits for an expanded Labor Service Organization might be drawn.

3. The U.S. Commander in Chief, Europe (USCINCEUR) has stated that he could organize one additional reduced strength Labor Service Unit (about 150 men) with present funds and supervisory personnel. Beyond this, however, USCINCEUR would require additional funds and additional supervisory personnel.

4. The cost per man year for expansion of the LSO in Germany is estimated at $1,200.00, excluding the cost of training and transporting. Although there is no prohibition against dependents among the personnel of the LSO, the U.S. Army accepts no responsibility therefor. Within limitations of program and budget, FOA/USEP is willing to provide continued subsistence, as well as special short-term grants such as extra transportation to dependents of escapees recruited in the proposed expansion of the Labor Service Units.

5. Other than the extremely useful guard and labor functions performed by Labor Service Units, values to U.S. objectives have been very limited. Employment for Eastern Europeans has been effected on a small scale and, to a limited degree, a holding facility of possible operational interest has been afforded. As far as can be de-

termined, no effort has been made to exploit the Labor Service Units for propaganda purposes, particularly in terms of possible inducement propaganda.

DISCUSSION

1. The Labor Service Organization is designed to perform certain guard and labor duties, thus relieving U.S. combat forces of non-combat duties. Any expansion of labor forces would result primarily in freeing U.S. personnel from housekeeping duties for additional combat training but would not constitute an increase in current U.S. combat strength.

2. An expansion of the LSO at this time would serve three purposes:

a. to increase the labor force available to the U.S. military.
b. to offer more attractive possibilities to potential Soviet defectors.
c. to provide additional employment opportunities to escapees currently residing in Europe.

It is probable that, from the military standpoint, intially at least, a small increase in strength will scarcely compensate for the political and administrative problems involved. However, it is felt that the recruitment of Eastern Europeans, especially escapees from the USSR, will contribute substantially to the accomplishment of the over-all objectives of the U.S. Escapee Program.

3. After the contractual agreements with the West German Government take effect, the LSO will lose about 60% of its personnel. Possible means to compensate for this great loss in labor and guard personnel should therefore be explored immediately. As an initial step the military should be authorized to introduce more non-German personnel into the Labor Service Units. It is suggested that the initial expansion be limited to 1,000 persons. This figure has been chosen as being within the limits imposed by budget considerations and the availability of personnel. Approval of this figure will serve to authorize USCINCEUR to initiate a program of expansion and to provide him with a ceiling figure for budget planning purposes.

4. Though administration of East European escapees, particularly those from the USSR, in the LSO may cause difficulties for local commanders and perhaps the U.S. Government, the potential psychological advantages to be derived from the inclusion of USSR nationals, who have not heretofore been eligible, suggest that a substantial number of the new recruits be USSR escapees. Premature propaganda exploitation, however, should be avoided because there is a danger that the U.S. will be besieged by various *émigré* leaders

seeking to create their own "armies" or to foster their own political theories. In order to forestall controversial issues among the USSR recruits and the *émigré* factions, it is further considered desirable to avoid any administrative action which would tend to imply partiality. For this reason, it is felt that the new USSR components should not be identified by any sort of Russian title or emblem and that primarily ease of control should govern their organization. If the expansion is initiated without publicity or open controversy, the organization of new units can be accomplished in an efficient fashion. Any news which may leak out regarding this expansion will constitute effective propaganda. When the new units have been formed and are operating satisfactorily, general propaganda treatment may be considered.

5. Expansion of the LSO is an interim measure in our psychological campaign. The LSO is not a substitute for, nor should it be confused with, the VFC. The potential appeal of the VFC to the slave nations of Eastern Europe is a strong one and contains obvious psychological advantages. Expansion of the LSO, however, should give some useful pointers in connection with the future establishment of a Volunteer Freedom Corps.

6. The Kersten Amendment to the Mutual Security Act authorizes the expenditure, within certain prescribed limits, of Mutual Security Program funds to aid persons residing in, or escapees from, the Soviet Union or areas dominated by it. Assistance provided by the U.S. under this authority is for the purpose of forming such persons as described into elements of military forces supporting the North Atlantic Treaty Organization or for other purposes when the President determines that such assistance will contribute to the defense of the North Atlantic area or to the security of the U.S. The proposed expansion of the LSO falls within the purposes of the Kersten Amendment.

CONCLUSIONS

1. That any expansion of Labor Service Units must not affect current and planned strengths of U.S. combat forces in Europe.

2. That, initially, the principal advantages accruing from the expansion of the LSO would be found in the provision of employment for escapees. If USSR escapees are included, such expansion may have the added advantage of disarming criticism resulting from the past policy of excluding USSR nationals from membership.

3. That a present limited expansion of the LSO constitutes a preliminary step toward compensating for the manpower loss which will result after the contractual agreements take effect.

4. That, initially at least, any expansion, especially the inclusion of USSR escapees, should be accomplished without publicity since

difficult problems of adaptation and control may be involved and because more than enough candidates are available. However, that propaganda treatment of the Labor Service Units may be instituted as such action is determined to be appropriate.

5. That expansion of the LSO as recommended in this paper shall in no sense be considered as a substitute for the activation of a VFC as envisaged in NSC 143/2.

6. That funds for the proposed expansion of the LSO are available under the Kersten Amendment to the Mutual Security Act.

RECOMMENDATIONS

1. That an expansion not to exceed 1,000 Soviet Orbit nationals be authorized for the LSO.

2. That at least[5] 500 of this additional personnel be former USSR nationals.

3. That the former USSR nationals be formed into separate organizational groups as dictated by language and administrative requirements. No action should be taken (the wearing of insignia shoulder patches, etc.) which would imply U.S. recognition of constituent parts of the pre-1939 Soviet Union.

4. That until adequate observation can be made of initial results, no publicity be accorded this expansion. The LSO may contain valuable propaganda possibilities, however, which should be systematically utilized to the extent that this will not interfere with its primary mission.

5. That recruits referred by FOA/USEP and other agencies be afforded preference. Recognition should be accorded the greater values implicit in the enlistment of recent escapees.

6. That funds for this purpose be furnished under the authority of the Kersten Amendment. The estimated cost per year is set at $1,200,000 for 1,000 additional personnel.

[5]Subsequently amended by the National Security Council by substituting the words "if possible" for "at least". (NSC Action No. 1244-b) [Footnote in the source text.]

No. 91

Eisenhower Library, C.D. Jackson papers, 1931-67

C. D. Jackson to the Special Assistant to the President (Cutler)

SECRET [NEW YORK?,] October 5, 1954.

DEAR BOBBY: Isn't this just about the right moment to revive the Volunteer Freedom Corps?

The idea, originally the President's own, was ably developed by General Crittenberger and his Committee. I am sure I don't have to remind you of the many vicissitudes this project lived through during its period of development. But finally, it emerged as a fully developed, workable project.

Then came the "we must wait until" period. The only thing we have not had to wait for was the Second Coming. However, I am sure that that is being held in reserve in some Foggy Bottom tepee.

Of course, the French vote on EDC was a perfectly valid "until". But now that, along with Bermuda, Berlin, Geneva, London, and goodness knows what else, is history, and to that history has been added the recent Nine Power Conference,[1] which seems on a fair way to being reasonably successful.

I therefore strongly urge that VFC be taken out of the ice box, unfrozen, and put on the front burner.

There are a lot of obvious reasons for this suggestion, There is one, somewhat less obvious, that may not have occurred to you. It has to do with the satellite countries.

They—particularly Poland and Czechoslovakia—have always been scared of any kind of German rearmament, even the EDC integrated-European-army formula. This fear has been skillfully used by the Communist regimes in those countries in an attempt to persuade the Poles and the Czechs and the Slovaks that despite the West's brave words regarding their future in peace and freedom, all we really cared about was a rearmed Germany, and they had been through that experience.

I imagine that the Communist propaganda and their reaction to this new kind of German rearmament will be even more violent.

The one antidote would be Poles, and Czechs, and Hungarians, etc., in a Volunteer Freedom Corps, part of the armed forces of the West, integrated into the U.S. Army. This would be convincing proof to them that this was not a sell-out to some new Wermacht.

You will know better than I what the proper timing should be—whether to go ahead immediately with getting Adenauer's approval, which is the key approval since Germany is the host country, or whether to wait for the further ratification of the Nine Power Conference plan, on which I understand the key ratification will be the French one, presumably sometime in November.

You will recall that Critt made his swing through Europe last spring, and the result was that our Ambassadors in London, Paris, and Bonn, plus our military leaders in Europe, finally understand what this is all about.

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[1]For documentation concerning the Nine-Power Conference at London, Sept. 28–Oct. 3, 1954, see vol. v, Part 2, pp. 1294 ff.

Critt himself will do anything the President wants him to do, and naturally I think he would be a superb organizing leader for this project.[2]

All the best,

C.D. JACKSON

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[2]In a reply addressed to Jackson in New York, Oct. 13, Cutler assured him that the subject of the VFC had been broached at the OCB meeting of that date and that a report on that subject would be sent through the OCB to the NSC. (Eisenhower Library, C.D. Jackson papers, 1931-67) No evidence that the issue reached the NSC level during the remainder of 1954 has been found in Department of State files.

TRIESTE

UNITED STATES INTEREST IN SECURING A SETTLEMENT OF THE DISPUTE BETWEEN ITALY AND YUGOSLAVIA OVER THE FREE TERRITORY OF TRIESTE[1]

No. 92

Editorial Note

This compilation is organized around the major initiatives taken by the United States unilaterally, or in conjunction with other countries, which were aimed at a solution of the Trieste dispute. As such, it is not a complete record of the nearly continuous discussions and complex negotiations regarding Trieste during these years. Editorial notes summarizing many of these discussions and negotiations have been provided in order to condense the record. While the primary focus is on the diplomacy which helped produce the settlement of October 5, 1954, documentation is also included which relates to important developments within the Free Territory of Trieste itself and to the military aspects of the question as perceived by United States policymakers.

The majority of the documentation has been taken from Department of State file 750G.00, where nearly all the documents in Department central files pertaining to Trieste are located. Of the various lot files researched, the most useful has been the Italian Desk files, lot 58 D 357, which contains, among other documentation, much material relating to consideration of the Trieste issue within the Department of State, as well as copies of most of the military cable traffic on Trieste furnished the Department of State by the Department of Defense. For this reason, the editor did not conduct research in the extensive records of the Allied Military Government for Trieste, which are stored at the National Records Center, Suitland, Maryland.

For reasons of brevity, the documentation presented here covers only the concluding phases of the negotiations regarding Trieste, i.e., beginning in September 1953. Omitted from the compilation is material, for example, on Philip Mosely's mission to Belgrade in January 1952; the signing in London on May 9, 1952, of a memo-

[1]For previous documentation regarding the Trieste dispute, see *Foreign Relations*, 1951, vol. IV, Part 1, pp. 204 ff.

(Source: Department of State *Bulletin*, Oct. 18, 1954, p. 557)

randum of understanding between Italy, the United Kindgom, and the United States regarding the administration of Zone A; and efforts by the United Kingdom and the United States to secure a settlement of the Trieste issue prior to the Italian national elections of June 1953, including the mission to Italy in April of that year by the Director of the Office of Western European Affairs, Homer M. Byington.

A. The Announcement by the United Kingdom and the United States of Their Intention To Transfer Administration of Zone A To Italy, October 8, 1953

No. 93

Editorial Note

In the June 7 national elections in Italy, the Center Coalition, which included the Christian Democratic Party, won a majority of the seats in both the Chamber of Deputies and in the Senate. The Center parties, however, failed to gain the necessary majority in the vote for the Chamber which, under the new electoral law, would have given them 65 percent of the seats.

Ambassador Luce's views on the elections were transmitted in telegram 5112 from Rome, June 12; in telegram 5210 from Rome, June 21, eyes only for President Eisenhower and Secretary Dulles, which reported on a conversation Luce had the previous day with Prime Minister De Gasperi regarding the election results; and in a 17-page paper she sent to Eisenhower and Dulles on June 19. For these telegrams, a summary of Luce's 17-page paper prepared by the Executive Secretariat of the Department of State, and President Eisenhower's message of June 25 to Luce, see volume VI, Part 2, pages 1609, 1614, 1618, and 1617, respectively. In her analyses, Luce stated that United States failure to honor the 1948 Tripartite Declaration on Trieste and United States support of Tito for strategic reasons had been used by both the Communists and the Right to reduce the Center parties margin of victory.

In the wake of its setback in the June 7 national elections, the De Gasperi government resigned on June 29. De Gasperi managed to form a new government on July 16, but it collapsed on July 28 following a vote of no confidence in the Chamber of Deputies. At the National Security Council meeting on July 30, Director of Central Intelligence Dulles briefly discussed the reasons for the fall of De Gasperi. President Eisenhower commented on how important the Trieste issue was to Italy and said that it would have "helped greatly in the Italian elections if we could have made a firm commitment on Trieste, but this was impossible because of Yugoslav-

ia." For an extract from the memorandum of the discussion at this meeting which dealt with Italy and Trieste, see volume VI, Part 2, page 1623. For additional documentation regarding the fall of De Gasperi, see *ibid.*, pages 1565 ff.

Following an unsuccessful attempt by Attilio Piccioni to form a government, Giuseppe Pella, the Minister of the Budget in De Gasperi's cabinet, formed a government on August 15. The Pella government was sworn in on August 17 and received votes of confidence in the Senate on August 23 and in the Chamber on August 24. Pella stated publicly that he considered his government a transitional one and that he would resign by the end of October following Parliamentary approval of the budget. In presenting his program to the Parliament, Pella also said, among other things, that his government would demand that France, the United Kingdom, and the United States carry out the 1948 Tripartite Declaration on Trieste.

During the government crisis, on August 12, Federico Sensi of the Italian Embassy in Washington called on William E. Knight of the Office of Western European Affairs and inquired about the United States attitude toward the possible transfer of the administration of Zone A to Italy. Knight replied that, although such an idea had never been proposed, the United States viewed it with grave misgivings and felt that such an arrangement would in fact become permanent, that Tito would retaliate by annexing Zone B, and that it would not open the way to Italo-Yugoslav collaboration for defense. Sensi said that he knew that this was the United States attitude and expressed his belief that it was perhaps because the Italian Foreign Office was unsure whether the United States would approve such a settlement that it had not made such a proposal. Sensi emphasized that he was speaking of Italy's taking over administration of Zone A, not of Italy's annexation of the Zone. The transfer of administration, he said, would leave the juridical status of the Zone and the entire Free Territory of Trieste unchanged for possible future settlement by direct bilateral negotiations. In answer to a question from Knight, Sensi mentioned that the Foreign Office had considered the possibility that such a solution might well become permanent. Sensi concluded by saying that nothing could be accomplished regarding Trieste until Italy had a new government, but that it might be well to consider what could be done subsequently, since the Trieste question was almost the only means for influencing favorably any future Italian elections. Knight's memorandum of this conversation is in file 750G.00/8–1253.

Toward the end of August, a crisis developed over Trieste that raised the possibility of a direct military confrontation between

Italy and Yugoslavia. On August 28 the Yugoslav newspaper *Politika* called a recent speech by Prime Minister Pella "fresh proof of Italy's unchanged, negative attitude" toward a solution of the Trieste question. As a result, "many Belgrade personalities" had become convinced that Yugoslavia's attitude on the question should be "seriously re-examined." A translation of the comments in *Politika* was provided in telegram 240 from Belgrade, August 29. (750G.00/8–2953)

On August 29, Prime Minister Pella called in Chargé Elbridge Durbrow and protested the Yugoslav press comments as evidence of Yugoslavia's intention to annex Zone B of Trieste. If that happened, Pella said Italy would attempt to occupy Zone A. If the United States and the United Kingdom did not acquiesce in such a move, the Pella government would resign and Italy's position in NATO would be jeopardized. Pella also informed Durbrow that Italy was taking certain precautionary military moves in the area around Trieste. (Telegram 699 from Rome, August 29; 750G.00/8–2953) The following day the Yugoslav Government publicly denied that it was contemplating a change in its policy toward Zone B.

On August 31 the Governments of the United States, the United Kingdom, and France made parallel *démarches* through their representatives in Belgrade and Rome urging moderation on both sides. The Italian Government was informed that the three powers found it impossible to conceive that Italy even considered moving troops to annex Zone A and found it difficult to believe that the Trieste issue might jeopardize Italy's support of NATO. The Yugoslav Government was informed of the three powers' hopes that a speech by Tito at Okroglica on September 6 would not be such as to worsen the Trieste situation. The Yugoslav Government responded the following day by asking the three powers to attempt to bring about a cancellation by Italy of its troop movements in the Trieste area. The Yugoslav Government indicated it would take similar measures if Italy persisted. Although the British Government favored intervening with the Italian Government, the United States demurred, for fear of appearing to side with Yugoslavia. However, when the Yugoslav Government on September 3 made public its request to the three powers to intervene with Italy, they agreed that the disclosure precluded any action of the type Yugoslavia had requested. This series of exchanges was summarized in a memorandum from Merchant to the Secretary of State, September 4. (750G.00/9–553)

No. 94

750G.00/9-353

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Leverich)

TOP SECRET [WASHINGTON,] September 3, 1953.

Subject: Trieste, Tripartite Military Talks with Yugoslavia, Wheat for Yugoslavia

Participants: The Secretary
Mr. Vladimir Popovic, Yugoslav Ambassador
Dr. Mirko Bruner, First Secretary
Mr. Henry P. Leverich, EE

At his request, the Yugoslav Ambassador, accompanied by his First Secretary of Embassy, Dr. Bruner, called on the Secretary this afternoon at 3:30. After exchange of the usual courtesies, the Ambassador took occasion to express not only his own satisfaction but also that of the Yugoslav participants with the outcome of the military talks between Yugoslavia on the one hand and the US, UK and France on the other,[1] which he believed showed great progress in the *rapprochement* between Yugoslavia and the Western powers. He felt that these talks were of great significance for two main reasons. First, they marked an important step in the development of a mutual concept for the defense of Southeastern Europe, thereby strengthening the common defensive system against Soviet aggression. Second, in these talks with complete sincerity and frankness the Yugoslavs had for the first time given full details of Yugoslav defense plans. The Ambassador understood that the Tripartite representatives in the talks fully appreciated the forthrightness of the Yugoslav participants, and he was glad that this had taken place at this particular juncture in the international situation. The Ambassador said that in the light of these circumstances he was compelled to say that he had been somewhat surprised to see in the American press numerous articles asserting that the attitude of Yugoslavia is "hurting the Balkan defense pact". He wished to assure the Secretary that Yugoslavia has no intention of weakening the "Balkan defense pact" and on the contrary will continue its efforts to strengthen it since Yugoslavia considers the pact as a contribution to over-all defensive strength against Soviet encroachments. The Ambassador referred in particu-

[1] A summary report of these talks, held in Washington Aug. 24-28, is in file 611.68/8-2453

lar to two articles by Sulzberger which he said had appeared recently in the *New York Times*.

In response to the Secretary's inquiry, Mr. Leverich said that he had noted numerous press stories since last weekend which were apparently prompted by the flare-up between Yugoslavia and Italy regarding Trieste, and that these articles had indulged in speculation of all sorts with respect to Yugoslavia's attitude in this matter. (Subsequent reference shows that the Sulzberger articles dealt not only with the Trieste problem but also with the recent press altercation between Yugoslavia and Greece regarding Greek Macedonia). The Secretary then pointed out that, as the Yugoslav Ambassador was aware, we have a free press in this country and we do not make any attempt to influence it. The current military talks, the Secretary said, had been kept on a Top Secret basis, and hence the press has no factual basis on which to write. Consequently, whatever they do write is purely speculation, and he did not believe that the Yugoslav Government need be concerned by these press articles.

The Ambassador replied that the press articles were not of primary importance. What is essential, he said, is that cooperation between Yugoslavia and the Western powers should go forward, and in this connection he regretted the Italian attitude with regard to the military talks. Italy, which should be interested in any steps aimed at building up defensive strength, has indicated resentment over the Tripartite talks with Yugoslavia, and it is to be hoped that gradually Italy will realize that such a policy is detrimental to Italy's own interests.

The Secretary said that he had not yet received any detailed report on the outcome of the current military talks but that it was his impression that they had gone well, in an atmosphere of frankness on both sides. He wished to express our appreciation of the Yugoslav Government's attitude in this respect. Whereas the Secretary did not attach any fundamental importance to press reports, he said that we are concerned over the situation regarding Trieste which flared up so sensationally during the last week. He hoped that the Yugoslav Government would avoid adding any fuel to the flames, which he thought would gradually die down. The Secretary underlined our hope for a solution of the Trieste problem. We cannot go as far in building up common defense as we wish until harmonious relations between Yugoslavia and Italy have been established. The United States is eager to do whatever it can to help bring this about. The Secretary expressed the hope that the Yugoslav Government will maintain an attitude of calm and will do nothing to aggravate the most recent tension between Yugoslavia and Italy over Trieste. This flare-up illustrates the need to move

quickly to eliminate the friction between two governments which in their mutual interests should be working together.

Responding to the Secretary's observations, the Ambassador stated that his country had consistently favored a reasonable settlement of the Trieste question and had demonstrated its attitude by deeds and by concrete proposals. The Italians, on the other hand, have consistently blocked any feasible settlement and have turned down all Yugoslav proposals and efforts in this direction. The desire of the Yugoslav Government to cooperate has been demonstrated not only with respect to Trieste but also in other matters, but the Italian response has always been negative. The Italians have manufactured provocations and have endeavored to present events in such a way as to discredit Yugoslavia. The Ambassador expressed the belief that as long as the Italians are given the impression by the Western powers that there is no alternative to the March 1948 declaration regarding Trieste, there will be no inclination on Italy's part to permit reasonable settlement of the issue. In this regard, the Ambassador referred to press reports on the tickers of the Secretary's press conference this morning, which the Ambassador thought implied reaffirmation of the 1948 declaration[2] and which he was sure would be interpreted by the Italians and built up in the Italian press as such.

The Secretary replied that he did not know what the tickers were putting out but that he knew what he had said. He did not think that the reports as described to him just now by the Ambassador were accurate and, in order to set the matter straight, he would read from the transcript of his press conference. The Secretary proceeded to read the following excerpt therefrom:

"Q. Mr. Secretary, do we have an official policy position on Trieste that is later than that '48 statement which would have awarded it all to Italy?

"A. I would say that the US, since that time, has been exploring other alternatives and has been open-minded to other alternatives. In other words, we do not necessarily regard that like the laws of the Medes and the Persians which stand forever. So far, we have not come up with any official alternative proposal."

The Ambassador listened attentively and stated smilingly that the Secretary's remarks were entirely different than had been reported and he was indeed glad that this was the case. Dr. Bruner read through the transcript himself and jotted down notes, presumably for transmission to his government.

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[2]Reference is to the Mar. 20, 1948, announcement on Trieste by the French, British, and U.S. Governments that they favored the return of the Free Territory of Trieste to Italy. For text, see Department of State *Bulletin*, Mar. 28, 1948, p. 425.

The Ambassador said that there was one more point upon which he wished to touch. Shortly before leaving for Yugoslavia earlier in the summer he had had a talk with General Smith [3] and, as a result thereof, had been able to carry back to his government assurances of substantial United States aid to meet Yugoslavia's urgent need for wheat. While he was away, however, officials of the Embassy talked with lower ranking officials of the United States Government, and obtained quite a different impression of the amount of aid to which Yugoslavia could look forward, an impression quite contrary to that given by General Smith. This was a great disappointment to the Ambassador and to his government, and he wondered whether the Secretary had anything to tell him on this point.

The Secretary replied that he simply did not have the information at hand to give an answer at this time. He did know that the question of economic aid to Yugoslavia was currently under intensive study, both in the State Department and in other agencies of the Government, and that a decision would be forthcoming in the near future. The Secretary pointed out that it is one thing for the State Department to determine that a certain course of action is desirable as a matter of policy, and quite another thing for other agencies of the Government responsible for action in the matter to find the means of actually putting it into effect. They were often faced with the problem of finding money, and with other practical problems. The Secretary promised to look into this matter, and in the meantime asked Mr. Leverich if he had anything to add. In reply, Mr. Leverich pointed out that following the appropriation by the Congress, FOA had been engaged in reapportioning the amounts of economic aid which it would be possible to grant to the various countries concerned. This process was still in progress and the Ambassador might rest assured that the Yugoslav position, which had been so ably set forth by the Ambassador on more than one occasion and by other representatives of his Embassy, would be given most careful consideration.

The Ambassador asked if the Secretary had anything which he might like him to pass on to his government with regard to the general international situation, such, for example, as prospective talks with the USSR. In reply the Secretary said that there were no plans for any talks with the Soviets other than those which were dealt with in the recently published notes regarding Germany and Austria and the prospective conference regarding Korea.

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[3] Ambassador Popović and Under Secretary Smith briefly discussed a Yugoslav request for wheat on July 20. A memorandum of this conversation is in file 768.5 MSP/7-2053.

No. 95

750G.00/9–453: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

SECRET NIACT ROME, September 4, 1953—2 p. m.

765. I had long conversation with Pella yesterday which had been set before development of tension in Italo-Yugoslav relations. This being my first visit since Pella's vote of confidence, we touched initially on variety of questions. I told him of US confidence in his ability to solve problems facing Italy and expressed hope that his government would continue to function effectively. He stressed that his government had not moved either to right or to left. Although he recognized that his vote of confidence was obtained by support of Monarchists and anti-De Gasperi forces, he wishes to emphasize that he had not made any move in their direction. He stated his government was one of transition, but this did not mean that his government would be necessarily of short duration. What he wanted to obtain was government of "clarification" so that Italian people could clarify their ideas concerning national policy and thereby achieve stable government.

I obtained distinct impression from my conversation that Pella has made Trieste question keystone of his policy in Italy. He emphasized that foreign policy of De Gasperi was permanent policy of Italy and would be continuing plan of action of his own government stating that 90% of time his policy would be exactly like De Gasperi, especially in the question of Trieste. His own policy would not be centered solely on European policy or an Atlantic policy, but would attempt to coordinate both objectives. He did not wish to be considered as more nationalistic than De Gasperi, however, big issue confronting his government and Italian people was problem of Trieste. His policy was explained in speech of August 19 which reiterated De Gasperi's statements of 21 and 28 June. Italian policy in Trieste was based on tripartite declaration. Although I pointed out that fulfilment of tripartite declaration was no longer practical in view of recent developments, Pella stated that if Trieste were not settled according to letter of that declaration, it would have to be settled at least in its spirit. He failed to see why Italy should be called on to renounce historical claims underwritten by the declaration itself simply because Tito had defected from the Cominform. He stated that "the logical solution of Trieste in the spirit of tripartite declaration" would be one based on a plebiscite and estab-

[1]Repeated for information to London, Paris, Belgrade, and Trieste.

lishment of continuous ethnic line. I did not question Pella on this point and at no time during conversation did he raise problem of "provisional" settlement. In this connection it is important to note that Pella spoke of "provisional" settlement too in his talk with Durbrow (Embtel 718, August 31[2]). He also told Sebilleau[3] that he could accept "provisional" settlement and it might not be impossible to accept definitive settlement based on present line of demarcation if proper steps could be taken to prepare Italian public opinion for such step. Gen. Gruenther reports that Marras also stressed desirability of "provisional" settlement at this time.

Pella stated US should now be able to see true nature of Trieste problem since Tito had launched his trial balloon in Yugoslav press. In response to my question whether Yugoslavs had deliberately planted press account of annexation of Zone B, he replied "absolutely, yes."

I expressed to him our desire to see a relaxation of current tension, and asked him if he could not take measures to reduce it. He states that clarification of situation would be forthcoming after Tito's speech on September 6. If that speech were inflammatory, then Italian Government would be required to make appropriate reply in his speech of September 13. He said that there had been only small movements of troops since August 29 and that it was laughable that Tito should protest Italian military activity on frontier. There had been, he said, no Italian protest against the recent Yugoslav maneuvers on border and no protest was made against vast partisan meetings scheduled on frontier at Okroljica for Sunday. He categorically denied that Italian troops or airplanes had purposely violated Yugoslav frontier. He did not ask why Bebler called in Western representatives on September 2 and I volunteered no info. (Embtel 733, September 20 [*2*] and Belgrade's 278 to Dept.[4]) Pella felt that current situation could become serious, but no indication of extent of possible development can be given until Tito has made his declaration of policy.

Pella stated that settlement of Trieste question overshadows any other problem in Italian policy. There is already, according to him a growing suspicion in Italy that national interests have been sacrificed to foreign policy requirements.

Pella stated that he could agree to any foreign policy measure—facilities agreements, EDC, NATO commitments et cetera—if satisfactory settlement were reached concerning Trieste. If it is not set-

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[2]Not printed. (750G.00/8-3153)

[3]Pierre Sebilleau, Counselor of the French Embassy in Rome.

[4]Neither printed. (Both 750G.00/9-253)

tled, US will experience "the daily fatigue and frustration" of dealing with problems of mutual interest.

At dinner last night, I mentioned to Pella that I understood Gen. Marras had had discussions with Gen. Gruenther and had indicated to him that so-called "provisional" settlement on Trieste would be acceptable to Italians. I observed that in his conversation with me in afternoon, Pella had only mentioned what he referred to as "logical" implementation of spirit of March 20 declaration—that is, plebiscite which would result in delineation of continuous ethnic line. I asked him if this omission meant that "provisional" solution was not considered as an alternative by him. He said no, that he did not exclude this type of settlement. When I had indicated to Pella's Chief du Cabinet, Scola Camerini, earlier in evening my surprise that Prime Minister had not mentioned "provisional" solution in afternoon interview, he said he thought Prime Minister preferred that he "infer" it.

LUCE

No. 96

750G.00/9-453: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

SECRET NIACT ROME, September 4, 1953—7 p. m.

782. 1. This morning I was urgently called to the Foreign Office by Under Secretary Benvenuti. He showed a copy of Prime Minister Pella's instructions to Luciolli re representation to the Department on the Secretary's statement yesterday on the March 20 declaration.[2]

2. For 20 impassioned minutes Benvenuti dilated on the disastrous effect of the statement in the present context of Trieste tension.

3. He displayed morning Communist papers. *Unita* headlines were "Sensational Confirmation of Failure of De Gasperi's Foreign Policy. Foster Dulles Announces that America Reneges on the Tripartite Declaration". A picture of De Gasperi carried caption "He Worked Against Italy", and editorial captioned "The Proof of Betrayal" and below "The declaration of Dulles carries for De Gasperi

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[1] Repeated for information to London, Paris, Belgrade, and Trieste

[2] For an excerpt from Dulles' press conference, see Document 94. Under instructions from Pella, Luciolli called on Bonbright and Ridgway B. Knight on Sept. 4 and stated that, although Dulles' remarks had corresponded to the facts, Pella was concerned by the interpretations which could be placed upon those remarks both in Italy and Yugoslavia. (Memorandum of conversation, Sept. 4; 750G.00/9-453)

the accusation of betrayal". Nenni's *Avanti* carried headline "Dulles Buries the Tripartite Declaration Announcing 'New Alternative' for Trieste", followed by second headline "Popovic after Interview with USA Secretary Expresses the Satisfaction of Yugoslavia".

4. Benvenuti said that while Communist interpretation of Dulles' statement carried the usual elements of falsification, nevertheless the statement left itself open to these interpretations, and that Italian public opinion construed it at worst as complete abandonment of declaration, at best as indication of eventual US intention to do so.

5. He said consequences of statement if unclarified and uncorrected would be as follows: (a) incitement of Tito to proclaim on Sunday he was following realistic lead of USA in making new claims in Trieste question; (b) consequent heightening of Trieste tension; (c) solidifying of anti-American, anti-Western sentiment in Italy, which could result in: (1) abandonment of pro-Western, pro-NATO Italian foreign policy, (2) rapid growth of power of extremist political elements in Italy, (3) fall of Pella Government when Parliament reassembles.

6. He urgently pleaded for immediate favorable clarification by Secretary of his statement, in direction of reiteration of adherence to "spirit of tripartite declaration", especially fundamental principles concerning ethnical and historical claims of Italy and American guarantees of "human rights" of Italians in area. He reiterated Pella's proposal for plebiscite solution and/or solution along continuous ethnic line, and also indicated that, while this was Pella's favored solution, "provisional solution" might be acceptable. He said announcement by Dulles that fundamental principles of tripartite declaration has not been abandoned need not exclude additional statement that Secretary was searching for "practical solution in its spirit" which must be found.

7. He pointed out unfavorable reaction in non-Communist Italy to USA demand for free elections in East Germany when contrasted with USA unwillingness to let FTT freely decide its own fate in plebiscite, and said that to abandon Italians in Zone B to dictatorship of Tito made a mockery of professed Atlantic policy ideals of human dignity and freedom.

8. He said that Pella and De Gasperi were 1000 percent pro-West, but that if Trieste issue were not favorably resolved they might be only two men in Italy who would remain so and that Pella would go as De Gasperi went—broken by his own loyalty to West which had betrayed him.

9. He admitted USA's, NATO's and Italy's need for military strength of Yugoslavia in event of Russian attack but reiterated

passionately in closing that regardless of strategic thinking of Pentagon planners, Italian public opinion would never accept US appeasement of Communist dictator Tito at Italy's expense because to do so would yield Italian soil and human rights to Communism anyway.

Plain fact of matter is that none of above estimate of Italian public reaction is greatly exaggerated and that failure (a) to clarify Secretary's statement immediately, (b) seek rapid solution of question, will result in great harm to USA-Italian relations and prolong a tension that will endanger not only future of moderate pro-American government in Italy, but might crack wide open NATO system in Europe.

LUCE

No. 97

750G.00/9-453: Telegram

The Chargé in Yugoslavia (Wallner) to the Department of State[1]

SECRET NIACT BELGRADE, September 4, 1953—midnight.

298. Embassy telegram 297.[2] French Ambassador opened by saying his government was disturbed by recent developments. Yugoslav Government had requested our good offices to intervene with Rome to have Italian military measures revoked and had by informing press of *démarche* and making public note to Italian Government threatening countermeasures (Embassy telegram 296[3]) rendered ineffective in advance any compliance with request we might have been contemplating. Furthermore, these press statements could only increase tension in view of special psychology of Italian Government and people. Three governments had from beginning counseled moderation Italian Government. Italians had perhaps hastily but not uncharacteristically staged "military spectacle". That this spectacle was not serious had been admitted by Bebler when he asked us to intervene in Rome. Three governments agreed it was not dangerous and certainly did not justify any countermeasures on part Yugoslavia. Consequently they felt they must

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[1]Repeated for information to Rome, Paris, London, and Trieste.

[2]In telegram 297 Wallner briefly summarized the meeting he and the British and French Ambassadors had that evening with Koča Popović and said that details of the conversation would follow. (750G.00/9-453)

[3]In telegram 296 Wallner quoted the substantive points of the official Foreign Office press statement on Sept. 4, entitled "Yugoslav Government Note to the Italian Government," a note which was presumably delivered earlier in the day. (750G.00/9-553)

seriously invite Yugoslav Government's attention to desirability and urgency of taking no steps which would increase tension, either countermeasures or inflammatory statements by Tito on Sunday.

British Ambassador followed particularly stressing fact that three governments efforts undertaken from very outset of trouble with Italian Government to bring about moderation were continuing. These things took time. Three governments could see no justification in countermeasures and urged further patience on part Yugoslav Government. Countermeasures might lead to dangerous situation. He understood Yugoslavs were pleased with results military talks in Washington and was sure would think twice about spoiling atmosphere.

I associated myself in general with two Ambassadors' statements. Making no reference to what had been or would be done or said in Rome, I stated that my government agreed with Yugoslav Government and [*that*?] Italian military measures were not serious. We thought they had abated. This might be open to dispute but it was certain they had not been increased since early days. Countermeasures, however, would be very serious. It took two to make a fight. We considered such countermeasures unwarranted and strongly urged Yugoslav Government to take no steps to further disturb situation.

Popovic said he would inform his government of our views but he felt he could make an interim reply. First the facts. At no time since this business started had there been taken on Yugoslav side any measure which could be qualified as pressure tactics despite what French Ambassador had described as "military spectacle". This is proof of Yugoslav patience and good faith. If three powers wished to correct situation they should turn to place where trouble started. It is most illogical to ask Yugoslavia to do nothing when Italians have not cancelled their military measures. Three powers influence in Rome is certainly no less than in Belgrade.

Reuter's story compelled Yugoslav Government to issue correction and go back on its original intention to keep request for intervention secret. In all world press Yugoslavs are made out equally at fault with Italians. Press agencies were constantly issuing contradictory reports. Yugoslav Government felt it had to maintain some balance. He could see no reason why this prevented us from telling Italian Government to revoke measures which were at root of trouble.

My colleagues and I attacked this thesis pointing out that there were certain practical limits within which coalition governments, particularly weak ones, had to operate with public opinion but Po-

povic merely replied, "does this blackmail of weakness have no limits?"

Trying another tack, we said that public opinion in our countries did not necessarily consider Yugoslav Government equally at fault with Italy. Editorial opinion had on whole tended consider Italian measures as unwarranted. Yugoslav Government would put itself in same boat with Italy by countering now and lose all credit for patience shown to date. Popovic said he could not understand how we could ask Yugoslavia to refrain from acting when both her vital interests and prestige were at stake. "Le role est trop beau". We were asking too much, to point where we expected "one of highest leaders of Yugoslav Government" to make important speech "under shadow of Italian bayonets". We said Yugoslav Government was only judge of its own vital interests and prestige but public opinion in our countries would not understand that they had been adversely affected by developments to date. We renewed our plea that Yugoslav Government do nothing further.

Meeting broke up as described reference telegram.

At this stage, I doubt that we have succeeded in persuading Yugoslav Government to abstain from taking certain symbolic countermeasures. A dictatorship can ill-afford to have patience interpreted as weakness, and warning contained in latest published Yugoslav note to Rome (Embassy telegram 296) cannot go long unfulfilled. Nevertheless on basis currently available evidence I am hopeful Yugoslav Government will proceed cautiously and carefully weigh in advance consequences of each act. Its immediate course will be largely determined by what Italians do.

WALLNER

No. 98

Eisenhower Library, Eisenhower papers, Whitman file

The Supreme Commander, Allied Powers Europe (Gruenther), to the President [1]

SECRET [PARIS,] 5 September 1953.

DEAR MR. PRESIDENT: Last night I returned from Rome following my first official visit there as Supreme Commander. The attitude of all officials whom I saw was most cordial. There was, however, an air of uneasiness caused by the current Trieste flap.

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[1] A copy of the letter was sent to MacArthur.

I saw President Pella on the evening of September 3rd. He alluded to the Trieste situation several times during our meeting, stating in each instance that a solution must be found, and that he felt that the time was about right for the Italian people to accept one. At no time did he become specific as to the type of solution he felt would solve this complex problem. On the following day President Pella saw Major General Bertoni, the Italian National Military Representative at SHAPE, who accompanied me to Rome, and he asked Bertoni to request me to send a private message from President Pella to you. Bertoni transmitted that word to me orally on the plane en-oute back to Paris. This is the message substantially as Bertoni gave it to me.

"1. President Pella considers that the solution to the Trieste problem would be greatly facilitated if a provisional solution were adopted whereby Italian troops would occupy Zone A in the not too distant future. This would not be a definitive solution, but would put the Italians on an equal basis with the Yugoslavs who now occupy Zone B. Once this provisional measure is taken the Italians would be able to negotiate points of difference with respect to Zone B directly with the Yugoslav Government, but with no sense of urgency attached. The provisional status would calm Italian emotions, and would enable cooperation to take place between Italy and Yugoslavia in the economic and military fields. President Pella feels that the Italian Government cannot make this suggestion, because if he did it would surely be rejected by Tito, and secondly the opposition parties in Italy would accuse Pella of a sellout. Pella's idea is that the suggestion should come from the American and British Governments. He hopes that President Eisenhower will give favorable consideration to this suggestion.

"2. President Pella is highly pleased with Ambassador Luce's work in Italy. He hopes that she will be able to remain on this assignment for a long period."

As you might well surmise, I have no desire to be a channel of communication between the head of any government and the President of the United States. If President Pella had made this suggestion to me personally, or if Bertoni had told me about it while I was still in Rome, I would have requested that I be excused from acting in the role of a message bearer. Since, however, the request did not reach me until I was halfway to Paris, I decided that the lesser of the evils would be to transmit the message to you, sending a copy of this letter to Ambassador Luce and also to Doug MacArthur in Washington.

I should like to give you some of my own observations on the Trieste question. I have been discussing this problem with Italian friends for several years, but I have never before found them to be in a compromising mood. This time I found several of the high

ranking military officers and also Minister of Defense Taviani[2] (a very good man, I think) advocating the solution contained in Pella's message to you. I told some of them that in my opinion it was pipe dream for the Italians to think that there would be any further solution possible if they moved into Zone A, and that realism demanded that if that so-called "provisional" solution were adopted it would probably be the final one. In every instance the reply given was somewhat along this line: "Certainly it would be final, but we wouldn't have to say that openly. In fact, it would be a grave mistake to say it openly because Italian public opinion would never buy that solution now. However, after they have lived with the provisional solution for a certain period the Italians would lose considerable of their zest for the Zone B crusade, especially if the Italian Government were able to transact any negotiations with the Jugs in the economic and military fields." I should add that one of the individuals [who] gave me the impression that he would buy a Zone A–Zone B solution if the so-called provisional arrangement were put into effect now was Minister Taviani.

While I came away from Rome with the definite impression that the Italians are more willing to compromise than ever before, I also formed the conclusions that all Italians in responsible position feel that a solution must be found as a matter of urgency. It was clear to me that negotiations for such items as facilities in Italy, and Italy's relationships with respect to NATO would be in considerable danger of deterioration if some action is not taken to solve the problem soon. Incidentally, the four military chiefs have softened considerably with respect to the idea of engaging in combined military planning with Yugoslavia. They now consider that this action is necessary, whereas a year ago they felt that the very suggestion was an outrage to Italian prestige.

I would not have bothered you with the Trieste problem if it had not been for the Pella request. I am sure you have been kept ade-

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[2]A memorandum of a dinner conversation on Sept. 3 among Gruenther, Durbrow, and Taviani, at which time the Trieste situation was discussed, was transmitted to the Department of State as an attachment to despatch 598 from Rome, Sept. 7. (750G.00/9–753)

quately informed by Secretary Dulles. I would suggest that if any reply to Pella is called for that it not be sent through me.[3]

Respectfully,

ALFRED M. GRUENTHER
General, United States Army

[3]In a letter to Ann Whitman on Sept. 15, MacArthur noted that he was returning to her the original of Gruenther's letter of Sept. 5 to the President. MacArthur stated that the President handed the letter to Secretary Dulles on the morning of Sept. 10 "when there was some discussion of the subject." MacArthur also said that he had written a short note to Gruenther thanking him for sending a copy of the letter and indicating that the President had discussed it with the Secretary of State and that the Department of State was working very hard on the Trieste question. (Eisenhower Library, Eisenhower papers, Whitman file)

No. 99

Italian Desk files, lot 58 D 357, "Trieste 1953"

The Commander of the British-United States Forces in Trieste (Winterton) to the Department of the Army[1]

TOP SECRET TRIESTE, September 5, 1953—11 a.m.

Taf 217. For JCS.

1. The Italians seem to have withdrawn their forward infantry detachments from the Italo-Yugoslav frontier south of Gorizia but they have now moved an armed unit (4 Genova Cav) to Ronchi Dei Legionari which has historical associations. This seems to suggest an adventure into Zone A.

2. I feel that the Italian Government should be asked to send these forces back to their barracks and that any intending D'Annunzio whether sponsored or unsponsored be persuaded of the foolishness of chancing his arm.

3. The continued presence of Italian troops in abnormal positions near the Italo Zone A frontier is also likely to provoke the Yugoslavs into moving her forces towards their own frontier with Zone A which would be an undesirable development.[2]

[1]Also addressed to the Ministry of Defense, London.

[2]In telegram DA 947614, Sept. 5, 1953 Maj. Gen. C.D. Eddleman of the Department of the Army's G–3 informed McFadyen that Taf 217 had been referred to the Department of State which would contact the Italian Government on the matter. (Italian Desk files, lot 58 D 357, "Trieste Sept. 1953") Ambassador Luce, under instructions from the Department of State, raised the issue of Italian troops along the Italian-Yugoslav border with Prime Minister Pella on Sept. 9. Their discussion of this issue, as well as of other matters pertaining to Trieste, was reported in Document 109.

No. 100

Eisenhower Library, Dulles papers, Telephone Conversations

Memorandum of Telephone Conversation Between the President and the Secretary of State[1]

[WASHINGTON,] September 5, 1953—11:50 a.m.

The President called and said he was disturbed about the call from Clare Luce,[2] he didn't understand why she should call him direct and pour a tale of woe, without any background on his part. The Secretary said he had just talked with her,[3] she is much worried about the Italian situation. He explained he had just seen the Chargé,[4] their parliamentary situation is very bad, they moved troops on the basis of newspaper reports in a Yugoslav paper, which set off a general reaction, we are trying to hold it down because Tito is threatening to move troops into the area too. The situation is jittery and the Italians are threatening to pull out of NATO. The Secretary doesn't think it as serious as it seems on the surface but it is bad because of the weak parliamentary situation. They have almost no effective government since de Gasperi and the only way to relieve public apathy is to stir up feeling about Trieste and put pressure on us. The Pentagon has been having military talks with the Jugs and the Italians are worried about that.

The President said if that is their worry you had better stop them.

The Secretary said the Italians think the Jugs feel they can get help without making any effort to settle Trieste. Luciolli said that we are leading the Jugs to feel that our relations with them are detached from solution of Trieste.

The President said the Italians have been our friends for a long time and the Jugs are Johnny-come-latelies. He talked to Dunn about this. Dunn said Sforza was the smartest one to deal with the problem; he realized it could not be done directly, and spent time

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[1]Prepared by Burnita O'Day. Another, but substantively similar, record of this conversation, is in the White House telephone call files in the Eisenhower Library, Eisenhower papers, Whitman file.

[2]According to the White House telephone call files for Sept. 5, Ambassador Luce called the President the previous evening, but the President asked her to call the Secretary of State instead. (Eisenhower Library, Eisenhower papers, Whitman file)

[3]According to a memorandum of the telephone conversation between Ambassador Luce and Secretary Dulles at 10 a.m., Sept. 5, Luce described the situation in Rome as "not good" and one which involved "dangers for the things in which the Secretary is interested there." She emphasized that the danger there was not exaggerated and expressed the wish that Dulles "would have a good look at it himself." (Eisenhower Library, Dulles papers, telephone conversations)

[4]For a description of the Secretary's conversation with Chargé Luciolli the morning of Sept. 5, see telegram 838 to Rome, Sept. 5, *infra*.

building up the economies with Yugoslavia because they were complimentary and left political problem in the background. As long as he was in charge the problem was gradually retreating. He doesn't think a direct solution is possible, we should encourage economic relations between the two and not try to tell them what to do. Ignore the political angle and tell them they must make a living in the meantime. Is there any thought that they might have another election?

The Secretary said he had not heard of it recently but would look into it.[5]

The President thought we might arrange through Len Hall[6] to have Italians here write letters home to restore relations, the Immigration bill was too late, but something that they wanted.

The Secretary mentioned the Yugo wheat project—both agreed it would be more trouble but we couldn't let them starve.

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[5]In a telephone conversation with Ridgway B. Knight at 1:12 p.m. Sept. 5, Secretary Dulles inquired about the possibility of new elections in Italy. Knight replied that they were not to be ruled out. Although the next regularly scheduled elections were almost 5 years away, according to Knight, the first possibility for new elections would be next spring if Pella were unable to consolidate his position. (Eisenhower Library, Dulles papers, telephone conversations)

[6]Leonard W. Hall, Chairman, Republican National Committee.

No. 101

765.00/9–553: Telegram

The Secretary of State to the Embassy in Italy[1]

SECRET PRIORITY WASHINGTON, September 5, 1953—2:02 p.m.

838. Personal for the Ambassador from Secretary. Was glad to talk with you on phone and have since discussed our conversation with President on phone.[2] Please feel free always to send frankly your views. You can be sure we here do not minimize importance and danger in situation. Have just finished talk with Italian Chargé.[3] He asked for interpretation of my press remark which he said in his opinion correctly stated the situation as it was and had been for some time but that Italian and Yugoslav press had been attempting to read into it some new decision. I reassured him that the position stated was the same position that had existed since I became Secretary and, I believed, for some time prior to that, that

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[1]Drafted by Dulles.

[2]A memorandum of this conversation is *supra*.

[3]No memorandum of this conversation with Chargé Luciolli has been found in Department of State files.

it was well known that while we had in no way altered the official position of 1948 we were and for many months had been open minded to alternatives. The Chargé said his Government well understood that and they themselves were open minded to alternatives. He was glad to be able to reassure his Government that my statement did not imply any new or recent decision.

For your information only, Yugoslav Ambassador called Thursday following press conference to complain that I had stated that we had no official position other than that of 1948.[4]

The Chargé also, with obvious reference to military talks with Yugoslavs, said he regretted these went on, and military and economic aid were rendered without regard to unsettled state of Trieste. I stated that his observation deserved and would receive consideration.

DULLES

[4]See Document 94.

No. 102

750G.00/9–553: Telegram

The Chargé in Yugoslavia (Wallner) to the Department of State[1]

SECRET NIACT BELGRADE, September 5, 1953—2 p.m.

303. Embassy telegrams 297 and 298.[2] Yugoslav Government has agreed to postpone military countermeasures to give three governments time to persuade Italian Government to revoke its measures.

Koca Popovic summoned three of us at noon and read *aide-mémoire* which opened by stating Yugoslav Government would "meet desire of three governments so that there should be sufficient time for the steps to be undertaken by three governments in Rome to lead to rapid and effective results".

Rest of *aide-mémoire* was so drafted as to require one hour of conversation before we received reasonably clear interpretation.

Full details follow.[3]

[1]Repeated for information to Rome, Paris, London, and Trieste.

[2]Telegram 298 is printed as Document 97. Telegram 297 is described in footnote 2, *ibid.*

[3]In telegram 304 from Belgrade, Sept. 5, the Embassy transmitted the verbatim text of the *aide-mémoire* from the Yugoslav Government. (750G.00/9–553) In telegram 305, also Sept. 5, Wallner summarized the questions which the three Western representatives had raised with regard to the *aide-mémoire*. (750G.00/9–553)

Foreign Secretary proposed and we agreed to tell press only that we had met last night and this morning.

WALLNER

No. 103

750G.00/9-553: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

SECRET NIACT ROME, September 5, 1953—9 p.m.

789. Reference Deptel 831, September 4.[2] I saw Pella today who assured me, as he stated in speech at Bari fair this afternoon, that he would continue to work calmly for preservation of peace and a peaceful solution of current tension in international relations. Pella stated that even if Tito massed troops on the frontier and gave an inflammatory speech tomorrow, provided he did not take action to cross frontier, or annex Zone B, Pella would not take any counter-measures until he had announced them in his speech on September 13.

I pointed out to the Prime Minister that my government recognized that there was no likelihood of any demonstrations against AMG in Trieste, but I expressed the hope that he would continue to lend his helpful assistance and influence to make this sure. Pointing out considerations listed Deptel 831, I stated that AMG would be required to resist any attack on its authority in the zone.

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[1]Repeated for information to Belgrade, Trieste, Paris, and London.

[2]In telegram 831, the Department instructed the Embassy in Rome urgently to convey the following information to Pella. The United States realized that it was highly unlikely that relations between the Allied Military Government and the Trieste populace would suffer from the current tension, especially since the present difficulties had nothing to do with AMG. Nevertheless, the United States wished to express the hope that Italy would lend its influence to prevent any such development from taking place. The Italian Government should understand that the United States could not give in to any attempt on the part of irresponsible elements in Trieste to impose a change in the status of Zone A by force or agitation. In this regard and with respect to the reference to the possibility that Italian troops might seek to enter Zone A, the United States wanted to make clear that it was contemplating no change in the longstanding responsibilities of the Zone Commander, which had always been to ensure the integrity of the Zone. Changes could only come about as a result of prior decisions of the United States and British Governments regarding the Zone.

The telegram, also sent to Trieste and London, instructed the U.S. Political Adviser in Trieste to use the substance of the proposed *démarche* to Pella as guidance for discussions with the Zone Commander regarding the position he should take in the "unlikely contingency Italian troops actually attempt take over of Zone." (750G.00/9-453)

At that point, Pella repeated what he had told Durbrow on August 29 (Embtel 699[3]) namely:

1. If Tito annexed Zone B, the Italians would move their armed forces to Zone A with the objective of annexation.
2. If there were resistance by allied forces, the Italian forces would not attempt a forced entry.
3. If annexation of Zone A were prohibited. Pella would resign and place Trieste question before Italian nation.

Pella then inquired whether I had any reason to believe that Tito would annex Zone B. I gave him my personal opinion that I did not think he would, pointing out strong representations we had made in Belgrade. Pella appeared disappointed, and in response to my observation that the situation would become even more serious if Zone B were annexed by Tito, he said it would not necessarily be worse provided Italy could thereupon and immediately enter Trieste and annex Zone A. An immediate Italy entry into Trieste and annexation of the zone would put Italy on an equal footing with Yugoslavia and would satisfy Italian public opinion.

British Embassy has not yet received instructions to make similar representation to Pella.

Since drafting above, Del Balzo has called to say Pella has telephoned to mayor of Trieste. Pella emphasized to mayor delicacy of international situation and requested him to use every possible means to prevent disorders or manifestations which would embarrass Italian Government.

LUCE

[3]See Document 93.

No. 104

750G.00/9-553: Telegram

The Ambassador in Italy (Luce) to the Department of State

TOP SECRET NIACT ROME, September 5, 1953—11 p.m.

790. Personal for Secretary. In view of what Pella said to me this evening, I think we should not overlook possibility that this current situation regarding Trieste may logically develop in such manner in next week so that Italian Government could accept Zone A–Zone B split without imposing upon us necessity of supporting further Italian claims.

That is, should Tito annex Zone B and we are prepared to allow Italians immediately thereupon to annex Zone A, I think that Ital-

ian Government would thereafter be able to accept this *de facto* situation as liveable solution of Trieste question. Great virtue of seizing this unique opportunity, which would exist only in present context, is that it would relieve us of necessity of making any further declarations concerning Italian claims such as is implicitly involved in so-called "provisional" solution. Embtel 789, September 5[1] indicates that immediate decision our part to turn Zone A to Italians if Tito annexes Zone B, would constitute all satisfaction that Italian public opinion would demand to continue support of government. My conviction after conversation with Pella is that this development would indeed strengthen his government.

I realize the tripartite complexities involved in arriving at and coordinating such outcome but urge fullest consideration of seizing upon this realistic opportunity which could be provided by logic of events.

However unsatisfactory situation would then be, there are many indications that Italians would prefer to take this risk rather than postpone any solution and indefinitely protract present tension and further endanger stability of Pella's government.

LUCE

[1]*Supra.*

No. 105

Editorial Note

The broadcast of Tito's speech at Okroglica on September 6 was monitored by the Embassy in Belgrade. On the basis of this monitoring, the Embassy reported in telegram 307, September 6, that the tone of Tito's speech had been generally moderate, although there were the anticipated caustic comments on Italian leaders, such as the remark that on the basis of a news report, "Pella got on his horse and slashed the air with a wooden sword." The Embassy also summarized the principal points of the speech as follows: (1) Yugoslavia had no need to annex Zone B because it was already there; (2) nobody had become alarmed at the news of Italian troop movements and Yugoslavia had taken no countermeasures. However, the Embassy quoted Tito as saying, "Pella is wrong if he believes that he is going to achieve something in this way . . . possibly grab Zone A . . . we can frankly say before the whole world 'no', we will not allow the occupation of Zone A"; (3) the Yugoslav Government had to settle accounts with the Italian Government, which was using the Trieste question to divert atten-

tion from internal problems, and not with the Italian people, who were more concerned with unemployment and social inequality than with Trieste; (4) Yugoslavia did not recognize the Tripartite Declaration and had no intention of talking to the Italian Government on the basis of this declaration; (5) the Peace Treaty needed to undergo substantial changes so that injustices which had been inflicted on Yugoslav interests by the Allied Military Government could be remedied, after which time "one could start talks"; and (6) Yugoslavia rejected both the proposals for partition along ethnic lines or along present zonal lines and the proposal for a condominium. Tito was quoted in this regard as saying, "The whole matter has been brought into such a blind alley that the only way for a solution would be that Trieste would be an international city and that the hinterland, the purely Slovene hinterland, be joined to Yugoslavia." (750G.00/9–653)

The reaction of the Italian press to the speech was highly critical. An initial statement, considered semiofficial by the Embassy, which had been read over the radio the evening of September 6 and which had been published the next morning in the pro-government *Il Messaggiero*, was quoted in telegram 794 from Rome, September 7. (750G.00/9–753) Additional comments by *Il Messaggiero*, which the Embassy believed had emanated from the Italian Foreign Office, were quoted in telegram 805, September 8. (750G.00/9–853) Other Italian press comment was summarized in telegram 810, September 8. (750G.00/9–853)

No. 106

Eisenhower Library, Jackson papers

The Ambassador in Italy (Luce) to the President's Special Assistant (Jackson)

CONFIDENTIAL ROME, September 7, 1953

DEAR C. D.: You will remember how profoundly concerned I was about Trieste in Washington six months ago. Since that time, the situation has progressively worsened.

Harry[1] will be leaving here on Wednesday[2] and will carry voluminous footnotes on this current "Message to Garcia" to you, for your further clarification . . . [3] and concern.

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[1]Presumably a reference to Henry R. Luce.
[2]Sept. 9.
[3]Ellipsis in the source text.

Meanwhile I'd like to make a few observations in what now seems (in G.O.P. season and out) to be my role of Cassandra.

1. An adverse decision for Italy on Trieste would be a moral blow to Eisenhower's foreign policy. Eisenhower has pitched his whole approach to world questions on a high moral and spiritual note. On moral and spiritual grounds, in a world of the relative virtue of nations, no one can choose Tito, the Communist Dictator in preference to still Democratic Italy. The loss of Italian friendship for the U.S. which must inevitably follow an adverse decision for Italy on Trieste, would divest Eisenhower's foreign policy of much moral coherence.

2. It would be a diplomatic blow. British foreign policy scoffed at the Tripartite Declaration from the beginning warning of the danger of promising what we couldn't probably deliver. Since that time they have made their own position clear in Italy. We never really have. Our failure since 1948, to settle a question which we have increasingly helped to complicate by our aid and support to Tito, has fortified the view in many chanceries that we are amateurs in diplomacy. To win a weak Italy in 1948 with a promise we refuse to live up to, even partially, is to lose a stronger Italy in 1953, when—as is now happening—the chips are being put down.

3. It would be a strategic blow. For the present Italian pro-NATO government could no more survive the Trieste issue if it went against Italy than De Gasperi's did. The next government would go Left—towards Nenni neutralism (this is what the British hope!) and eventually Communist. However great a case the Pentagon can make for Tito's divisions in the event of a war with the Kremlin, a greater case can be made for the wisdom of *not* letting Italy check out of NATO.

4. It would be a political blow. Many of Connecticut's (and other States') hundreds of thousands of Catholic and Italian voters would begin to go back to the Democrat fold. One of the greatest reasons why Catholic voters in the USA left the Democratic Party was their deep-seated suspicion that the Acheson buildup of Tito was the effort to further anti-Kremlin Communism, and that Ike would reverse this policy.

I have every reason to believe there is a solution to Trieste, that will lose to us neither Italy's pro-American government nor Yugoslavia's divisions. The Department is fully informed of it.[4] But it is one that can only be achieved now—quickly, and in the present context. Will the Secretary act swiftly? I know and sympathize with the terrible pressures on him—but time is of the essence in this matter.

Naturally, C.D., I do not cheerfully face the fact that if the Trieste issue goes sour I must bear the onus in Italy, as Ike's Ambassador. But that is only as it should be. I would proudly endure the failure of my mission here if I believed that I had failed because

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[4]Presumably a reference to the views which Luce expressed in Document 104.

the Italians would not cooperate with sound American policy—in short, if we were on the right track about Ital-Yugo relations. But my heart is heavy indeed when I consider that we may be on the wrong one. Indeed, I fear we are.

Believe me, the Democrats will be well within their rights to attack me and the policy I represent with everything they've got if it loses Italy to NATO. When before could Democrats rightfully claim that Republican policy was appeasing totalitarian dictatorship, scuttling freedom in Europe, selling Democracy down the river to the Commies?

If Pella falls (which, as I say, he will probably do if the Trieste issue is decided against Italy) the pro-Cominform Socialists will probably triumph in the next election—and with them neutralist-socialist views in international affairs. Churchill and Malenkov between them will then decide Europe's foreign policy.

What makes all this particularly painful is that no question of dollar handouts is involved here, or Congressional action. What is involved is statesmanship, and resolution, foresight, and fast diplomatic footwork.

Do we then only know how to pursue dollar diplomacy? Must we always lose in the international field the minute sheer diplomacy is put to the test? If that is true, we may do better frankly to abandon world leadership and revert to isolation which will make much less strain on the purse of our people, and the brains of their leaders.

I wish I were in Washington now, or Denver. I would feel I could then thrash all this out vigorously with Foster and Ike. Frankly, I never know how much of what is sent to the Department gets through to the top, without being watered down or sold short on the way up. Moreover, cablese seldom conveys the real urgency of these matters.

State Department cablese is an especially ineffectual and inappropriate idiom in which to tell the President that if he doesn't settle Trieste in the next few weeks, he may lose his next Congress.[5]

All best

CLARE

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[5]Luce added the following handwritten postscript: "I wrote the enclosed letter to you June 30—two months ago, when the new gov't was being formed. I did not send it because the Korean pot was boiling, and I felt it was one thing more to harass the President. I wish I had sent it!"

[Enclosure]

The Ambassador in Italy (Luce) to the President's Special Assistant (Jackson)

CONFIDENTIAL ROME, June 30, 1953.

DEAR CD—I know the President likes to have even the most urgent matters summed up on one page. The following is a brief if unorthodoxically phrased estimate of the situation in Italy, based on the assumption that nothing ever will be done to bring about a satisfactory solution to the Trieste question.

Estimate of the Situation:

For the want of Trieste, an Issue was lost.
For the want of an Issue, the Election was lost.
For the want of the Election, DeGasperi was lost.
For the want of DeGasperi, his NATO policies were lost.
For the want of his NATO policies, Italy was lost.
For the want of Italy, Europe was lost.
For the want of Europe, America . . . . . .?[6]

And all for the want of a two-penny town.

Recommendation:

That something be done to save DeGasperi's policies—EDC, and the Facilities Program—which can be done by giving *in exchange* a satisfactory solution of Trieste to the next Italian government.

Can you, CD, bring this to the attention of the President at an opportune moment?

Cordially,

CLARE BOOTHE LUCE

[6]The first seven lines of Luce's "Estimate of the Situation" were quoted in Eisenhower's *Mandate for Change*, p. 409.

No. 107

Eisenhower Library, Dulles papers, Meetings with the President

Memorandum by the Secretary of State to the Assistant Secretary of State for European Affairs (Merchant)

TOP SECRET
PERSONAL AND PRIVATE

[WASHINGTON,] September 8, 1953.

I discussed with the President at some length the Trieste situation. I got the impression that he felt the Administration was swinging a little too far in favor of Yugoslavia. He indicated that military prejudice in favor of Yugoslavia was not justified. He re-

marked that Italy had not really had a chance in the last two wars to show what it could do when it was committed to a cause in which it really believed.

The President suggested that we might send a message to Pella—whom the President knows personally and rates highly—to the general effect that our purpose is to help Europe, rather than any particular country in Europe; that we feel that some settlement of the Trieste issue of vital importance, but that the U.S. is not in any way disposed to impose a solution which would be inimical to the best interests of Italy, or which would damage Italy.

The President was agreeable to a Zone A–Zone B solution, with safeguards for minorities, provided that it could be made acceptable to Italy and Yugoslavia. He suggested that the possibility be explored that we might get Yugoslavia and Italy to agree upon some form of arbitration by the U.S.-U.K.-France, and perhaps Western Germany, with the knowledge on both sides in advance that a Zone A–Zone B system would be adopted.[1]

JOHN FOSTER DULLES

[1]In his memoirs, Eisenhower referred to a lengthy conversation regarding Trieste which he had with Secretary Dulles early in September 1953, in which he expressed his preference for some form of partition of the Free Territory of Trieste. The President, however, had felt that it would be impossible to amend the Italian Peace Treaty of 1947 to achieve partition, because the Soviet Union, as a signatory of the treaty, would have been in such a position to block such an amendment. Eisenhower recalled that it had seemed at that time that the solution of the Trieste issue lay in some informal device to recognize and make permanent the existing boundaries between Zones A and B. (*Mandate for Change*, p. 413)

No. 108

Italian Desk files, lot 58 D 357, "Trieste September 1953"

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Assistant Secretary of State for European Affairs (Merchant)[1]

TOP SECRET [WASHINGTON,] September 9, 1953.

Attached is a copy of our draft on a Trieste telegram.[2] As you know, we have concluded that the most feasible way of handling this problem is in several stages and the draft reflects that approach.

[1]A note on the source text indicates that copies were sent to Matthews and MacArthur.

[2]The draft telegram is not printed here, but the text is virtually the same as Document 110.

We have given careful thought to the President's suggestion to the Secretary that the matter be settled by arbitration. Our conclusion is that this would probably not work. The following reasons entered into that conclusion.

(a) In our opinion neither the Yugoslav nor the Italian Governments would wish publicly to turn over a problem of such great national interest for decision by third parties, even though they were told secretly in advance what the decision would be.
(b) In view of the Italian peace treaty and our obligations to the Security Council we think the U.S. position would be better if we acquiesced in a *de facto* situation than if we took it upon ourselves as arbitrators to suggest and support a decision contrary to the treaty.
(c) In view of their public positions we think it would be easier for both the Italian and Yugoslav Governments to work up to a final solution along present zonal boundaries than it would be to go to that solution directly and in one jump so to speak.

Mr. Tate[3] in L is looking at the proposal urgently from the legal angle. This may be full of difficulties and may require at least some senatorial consultation.

A check is also being made with UNA on the section dealing with the Security Council.

Two problems will require Defense clearance: (a) disposition of US and UK troops which will have to be moved from Trieste under our plan, and (b) the implied threat to the Yugoslavs concerning the future of our joint military planning and programming if Tito doesn't play ball. Perhaps this could be handled by a call from the Secretary to Mr. Wilson and by an approach by Doc[4] to the Joint Chiefs.[5]

The Secretary will undoubtedly wish to apprise the President of our plan and get his approval.

We should get a meeting with the Secretary to discuss the problem at the earliest possible moment, preferably tomorrow.[6]

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[3]Jack B. Tate, Deputy Legal Adviser.

[4]H. Freeman Matthews.

[5]The procedure by which the Department of State sought the views of the Joint Chiefs of Staff on this draft telegram is described in footnote 2, Document 110.

[6]No record of such a meeting has been found in Department of State files.

No. 109

750G.00/9-953: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

SECRET NIACT ROME, September 9, 1953—7 p.m.

817. I spoke to Pella at length today giving him substance of Deptel 857, September 8.[2] He replied that he listened with hope to assurances US now urgently studying Trieste question and promised that he would maintain strict secrecy.

Concerning troop movements (Embtel 808, September 8[3]) Pella stated that the entire number of Italian soldiers involved was 4,100 belonging to divisions already stationed in Udine or to the east of Udine. Precise units involved are one regiment of cavalry, three companies of Alpini, two battalions of infantry, and two companies of infantry. He did not identify the divisions to which they belonged. Pella said he had already decided to revoke the orders for movements of these units immediately after Tanjug article (Belgrade 243, August 30 to Department[4]) indicated Tito did not intend to annex Zone B. He could not, however, revoke these orders after Yugoslav note of protest (Embtel 741, September 2[5]), the Belgrade communiqué (Belgrade 289, September 3 to Department[6]) and Tito's speech of last Sunday. He characterized these three Yugoslav measures as "aggressive acts" which made it necessary for him to maintain troops in their new locations unless he wished to appear as taking orders from Tito. Pella felt that the small number of troops involved should dissipate any allied concern that Italy harbored aggressive intentions. He hoped that the allied states would not request any public announcement by Italy concerning withdrawal of troops. He was happy that the US had made no such re-

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[1]Repeated to London, Paris, Belgrade, and Trieste.

[2]Telegram 857 instructed Luce, who had offered to come to Washington to present her views in person, that it was important for her to remain in Rome since she might be urgently needed there to negotiate with Pella. In the meantime, she was authorized to tell Pella that the Department of State was urgently studying the Trieste situation in expectation of further communicating with him and that absolute secrecy was essential since the Department had not yet conferred with the British or French. Luce was also requested to urge Pella to postpone his forthcoming speech. If she were unable to do so, she was asked to suggest that he consider confining his speech to a clear defense of Italian rights and a refutation of Yugoslav arguments "without advocating any new step which might well upset [the] boat and render future moves on our part impossible." (750G.00/9-553)

[3]Not printed. (750G.00/9-853)

[4]Not printed. (750G.00/8-3053)

[5]Not printed. (750G.00/9-253)

[6]Not printed. (750G.00/9-353) The sequence of events, Aug. 28–Sept. 3, is briefly described in Document 93.

quest and he justified his stand by stating that Italy had not announced publicly and officially that the troops had been moved forward. Therefore, it would be unreasonable to expect a public communiqué that they had been withdrawn. He said that the troops would be withdrawn gradually, a company at a time, when it no longer appeared that Tito was giving him order to do so, and as public opinion in Italy calmed down.

Pella said that Italian Government's reaction to Tito's speech September 6 was reflected in press and was therefore already known. He was interested, however, in the Allied reaction to Tito's speech in view of the grave consequences to western policy of Tito's grandiose claims. He said both he and Italian nation felt profound pain and disappointment in the so-called "impartiality" which the Allied states seemed to be demonstrating in dealing with relations between Rome and Belgrade. Any impartiality shown towards a Communist dictatorship and a democratic fully-participating member of NATO can only be interpreted by the Italian public opinion as partiality for Tito and support of Yugoslav intentions. Pella made the point in this connection that he did not mean that government and public opinion were one and same, but stated that public opinion had to be taken into account at all times. He stressed that if Italian press reaction in the current crisis were carefully analyzed, it would demonstrate a cordial sentiment for the US and would indicate that Italy is still putting her faith in the goodwill of America.

Pella again developed the point, made in every conversation, that a settlement of the Trieste question is necessary for the future of Italy's Atlantic policy. He said this question must be settled in accordance with premises and principles of the March 20 declaration. He said that he did not want the Allies to request that he negotiate directly with Tito. Three earlier attempts at this method of settlement had failed and the Yugoslav claims were now too excessive for Italy to negotiate on this basis. He would not object to a round-table conversation of the interested parties provided Italy entered such conference on an equal basis with Yugoslavia. In response to a question concerning participants, Pella merely said that he would reserve his judgment on the circumference of the table. I asked specifically what he meant by "equality." He replied that Tito implied in speech that he did not differentiate between formal annexation and present occupation of Zone B although the Italian Government will never publicly admit this fact. Pella assured me "equality" would only involve total occupation of Zone A and that it did not mean annexation or any claim that occupation of the Zone was permanent. He stated categorically that occupation must precede any conference.

I spoke to the Prime Minister about postponement of his speech, as suggested in paragraph 3 Deptel 857. He said this could not possibly be done since it would only bewilder Italian public opinion. He promised to do his best to make his speech accord with the suggestions made in my instructions. He asked what Department meant by "any new step." I replied that it certainly meant that no further steps would be taken in the forward movement of troops and that his polemics should not create a situation which required a new *démarche* by Tito. I asked if he would refer to a plebiscite. Pella replied that this solution originated in Trieste and that he and his experts were examining it. He was most anxious to know Washington's reaction to this possibility as a means of settlement and would appreciate any indication which can be given prior to his speech on Sunday. He stated that it was not impossible that he could agree to a plebiscite at a round-table conference, but he could not accept a plebiscite in the absence of equality with Yugoslavia.

Pella concluded by stating that a solution was a fundamental necessity and quick action must be taken. A delay will involve him in intense political difficulties in Parliament. He said he might, by various parliamentary methods, avoid answering Nenni's interpellation, but he could not avoid a debate in Senate and Chamber on foreign policy in connection with budget.

I later spoke to Zoppi, who expressed great appreciation for outcome of German elections[7] and felt that they should help Pella in forwarding Atlantic policies. Zoppi said, however, that if US thoroughly understood volatile character of Italian people, they would then understand both danger and opportunity of present situation. With Trieste out of way, Pella could lead Italian people forward in a full policy of European integration and support of western objectives. If Trieste is unresolved, "someone else" could plunge emotional Italians into an anti-Allied policy which would vitally affect entire western system.[8]

LUCE

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[7]Reference is to the victory of Konrad Adenauer's coalition earlier in the month.

[8]In telegram 884 to Rome, Sept. 10, designated for the Ambassador, the Department of State reported that a series of steps was being considered designed to accomplish for Italy the "equality" Pella so strongly desired. The Department pointed out that a solution of the Trieste problem would be rendered "quite possibly hopeless" if Pella in his Sept. 13 speech strongly advocated the turning over of Zone A administration to Italy. In light of this, the Department suggested that Luce, at her discretion, discuss in utmost secrecy with Pella the fact that the Department was considering a way in which Italy could be given equality with Yugoslavia in the Trieste matter. The Department also asked Luce not to mention the telegram in further messages given general distribution and to warn Pella that, if a leak occurred, any chance of accomplishing what he wanted would be destroyed. (750G.00/9–1053)

No. 110

750G.00/9-1153: Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET
PRIORITY

WASHINGTON, September 11, 1953—6:39 p.m.

1337. Ambassador eyes only. Following is text of proposal re Trieste now under consideration at highest Government levels.[2] We have furnished copy to British Embassy here on understanding that it does not in any way represent final Government decision and is given them for preliminary study by FonOff on most confidential basis in order to save time should we reach decision here to approach British formally through you. Agreed by British it will not be discussed under any circumstances with third party.

"1. While Department recognizes Yugoslav position now publicly advanced by Tito perhaps reduces Yugoslav freedom of maneuver in immediate future and that Pella's speech September 13[3] may further harden Italian position (notwithstanding our efforts to contrary), we believe present and recent tensions may have created a

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[1]Drafted by Byington and cleared with Barbour, Bonbright, and Merchant. The text of the proposal was sent to Rome, eyes only for Luce, in telegram 907, Sept. 12, and repeated to Belgrade, eyes only for Wallner, in telegram 287, Sept. 12, with the prefatory statement that the Department of State would welcome their comments on the proposal. (750G.00/9-1253)

[2]A draft of this telegram was sent as an attachment to a letter from Bonbright to Capt. George Anderson, Assistant to Admiral Radford, Chairman of the Joint Chiefs of Staff. Bonbright wrote that he understood that Secretary Dulles the previous day had mentioned the Trieste proposal to Radford and that Dulles was anxious that Radford have a copy of the draft proposal so that he could discuss it with the Joint Chiefs. Bonbright also stressed the need for a prompt response from the JCS. The response of the JCS was described in a typewritten, undated note, which bears the following notations: "Handed to HMB [Homer M. Byington] by Defense, 9-12-53, comments on orig. plan." and "This is Dept's only record of Defense's reaction to original plan. WK [William E. Knight]" The note reads, "U.S. Joint Chiefs of Staff have reservations as to the mechanics of the actual transfer of administrative and military control of Zone A to Italians and timing of the withdrawal of U.S./U.K. forces as envisaged in paragraph 4 a. They deem it is essential that the military commanders of the U.S./U.K. forces in FTT be consulted prior to initial discussions with Italian and Yugoslav authorities and that their comments relative to the security of the forces and the timing of their withdrawal be considered prior to approval of the plan." (750G.00/9-1253) In telegram 1355 to London, eyes only for Gifford, Sept. 12, the Department of State reported that the text of the proposal should be amended to include the following addition to paragraph 4 a: "It is essential that the military commanders of the U.S./U.K. forces in FTT be consulted prior to initial discussions with Italian and Yugoslav authorities and that their comments relative to the security of the forces and the timing of their withdrawal be considered prior to approval of the plan." The Department instructed Gifford to present the amended proposal formally to the Foreign Office and to state, in doing so, that the proposal had the endorsement of the U.S. Government at the highest levels. (750G.00/9-1253)

[3]See the editorial note, *infra*.

situation in which a solution to Trieste issue might be achieved along Zone A/B lines which would be designed relieve US, UK and France of present embarrassing responsibilities and commitments, and ultimately pave way for that collaboration in mutual defense for that portion of Europe which we are all convinced is essential in common interest of West. While in initial stages solution such as we envisage would be provisional in public appearance, parties concerned would understand that it would probably have to be permanent (subject qualifications below).

2. We have given full consideration to joint views of US, UK and French representatives in Belgrade that it is impractical to propose agreed partition to Yugoslavia at this time, that turning over Zone A to Italians highly dangerous and that internationalization entire FTT best terrain to explore. We must take into account that we have definite knowledge that internationalization would never, under any circumstances, be accepted by the Italians. We also regard it as impractical and dangerous. Moreover, the history of secret negotiations between Yugoslavs and Italians has always indicated that Tito would settle for a Zone A–Zone B division. This was true of Guidotti–Bebler conversations in Paris two years ago, Mr. Eden's conversation with Tito last year and likewise of the conversations in Rome last May. Tito's recent speech may well be designed to push us toward offering him the Zone A–Zone B solution which he has always wanted in past. It is believed that plan outlined below avoids risk envisaged by Belgrade and should be given a trial as most promising constructive step at this juncture in a situation which is steadily deteriorating.

3. Department's thinking conditioned on one hand by recent—and increasingly concrete—Italian suggestions that under certain circumstances that Government could live with *de facto* Zone A–B solution, always provided first step involved only 'equalization' of Italian position in Zone A to that of Yugoslavia vis-à-vis Zone B, and not formal acknowledgment that such solution definitive. Other side of issue is our firm belief that (a) recent Tito position made primarily for bargaining purposes, (b) single most important factor in Yugoslav foreign policy today is necessity progress further with military cooperation with West (i.e., that we have great bargaining power with Tito, accentuated *inter alia* by recent tripartite emphasis in last military talks on concept that further progress conditioned on *modus vivendi* between Italy and Yugoslavia), and (c) Tito still basically willing settle for Zone A–B solution proving modalities meet his peculiar political requirements.

4. Schedule of events to this end which we believe desirable and possible to put in motion is as follows: (a) US and UK seek appropriate opportunity make public statement that since all their ef-

forts to apply peace treaty, to encourage agreement between Yugoslavia and Italy—parties most interested, have failed, and with a view to equalizing situation between Italy and Yugoslavia in reference to Zones A and B, powers have concluded that they have no alternative to withdrawal allied military government from Zone A and permitting Italian Government extend Italian administrative and other control into that Zone. Transfer of authority to Italians should take place simultaneously with announcement. (b) Tito annexes Zone B. US/UK will not oppose but must have prior guarantee that he will do no more, i.e., not militarily attack Italy, attempt to occupy all or part of Zone A, or molest Italians in Zone B. (c) Italy then annexes Zone A, with private assurances from Italian Government to US, UK and France that it will not provoke disturbances of any kind in either zone or molest Slovenes in Zone A. (d) Assurances from both Italy and Yugoslavia regarding both minorities and civil rights along general lines of Article 4 of permanent statute of FTT would also be expected. (In our view this would be prerequisite to any ultimate *de jure* recognition.) (e) US, UK and France will then issue public statement to effect three powers recognize *de facto* situation created in territory hitherto known as FTT, that they hope both Italy and Yugoslavia will cooperate to allay tensions and work for friendly and cooperative relations between them in common interest of Western defense and solidarity, that they recognize *de facto* Zone A/B solution does not fully satisfy requirements of either side, and that they hope residual problems, including possible local modifications of boundary, will be worked out on amicable basis between two parties immediately at interest. (f) At appropriate time after initial reactions have subsided, a suitable series of steps would be initiated to bring *de facto* situation to attention of Security Council for removal from agenda. Given probable inability of SC to act in face of Soviet obstruction, we might later plan seek General Assembly UN endorsement of *status quo* as contributing to stability of area, peaceful solutions, etc.

5. We propose following schedule of moves designed in first instance to sound out both sides and, in event our analysis proves correct, to move directly towards solution described above.

6. First: Pella be informed by both US and UK that we are contemplating turning administration Zone A over to Italians, that possible consequences of such a step are so serious that we must first ensure that Yugoslav reaction will not result in hostilities; we are therefore, simultaneously with our approach to him, approaching Tito on most confidential basis and will communicate with Pella further when we have made our decision.

7. Second: At same time as foregoing, British and US should inform Tito that we are approaching him and Italians simultaneously regarding Trieste. We should tell him in friendly but very firm fashion that this situation has become intolerable and that we are not prepared to permit it any longer to poison our relations with Yugoslavia and Italy and jeopardize policies of fundamental importance to four governments and indeed to all Western Europe. As Yugoslav Government has frequently been told, and most recently in tripartite military talks just concluded, we are convinced that our military relations with Yugoslavia have reached the point where to permit further progress in planning and programming it is imperative that Trieste situation be stabilized. In circumstances we see no alternative to turning over Zone A to Italians to administer and thereby create a situation of balance between Yugoslavia and Italy that can provide basis for ultimate agreement between two countries. We realize that Tito has a problem with respect to his public positions and that he may feel compelled to react in some way. However, as we have made financial and other sacrifices for him we feel entitled to expect sacrifice on his part. We are confident that he will understand need for cooperation and statesmanship in order that any reaction on his part should not be such as to force our governments to reconsider policies which we have followed toward his government and which we are anxious to continue. (Purpose of conversation should be to ascertain, without specifically asking him, what Tito will do when faced with turnover of Zone A to Italians and to lead him, again without specifically suggesting it, to say that he would annex Zone B.) If Tito says that he would annex Zone B we would inform him that this undoubtedly would lead to Italian annexation of Zone A and that if we did not protest his annexation of Zone B we obviously would not protest Italian annexation of Zone A. At this point it would also seem appropriate to point out to Tito that annexation of Zone B would not require movement of military forces but only parliamentary action in Belgrade. Finally, we should seek assurances (a) that Yugoslav reaction would go no further than annexation of Zone B and would not involve military action, and (b) that Yugoslavia would give guarantees regarding minorities and civil rights refered to in paragraph 4 which of course would also be expected of Italy in Zone A.

8. If, notwithstanding above *démarche*, Tito reserves his position or indicates he will take military action, the US and UK representatives would inform him that they would have to refer to their governments for instructions. They would emphasize the seriousness with which their governments will view Tito's reaction.

9. Third: Given anticipated response from Tito that he will annex Zone B, US and UK would again approach Pella, inform him that

we are prepared to go ahead with turnover administration Zone A to Italy and that indications are that Tito may annex Zone B. Should he do so, however, while US, UK will not protest, on other hand, US, UK would be prepared to acquiesce in similar action by Italy annexing Zone A provided Italian Government gives necessary assurances referred to in paragraph 4. After being given this information, our assumption is that Pella still will request administration Zone A to be turned over to Italy since he will not be responsible for having agreed to Yugoslav annexation Zone B. If Pella opposes strongly, the plan falls through.

10. As regards the inclusion of French, we believe our joint US/UK responsibilities are such as to justify the US and UK moving forward bilaterally until such point as it would prove useful to include them. French have no responsibilities vis-à-vis AMG, and might even be embarrassed to be asked to concur in a course of action which would not include formal 'agreement' on part Italians. Also their commitments to Italians through Santa Marguerita agreement would likely involve leaks of details to Italians and delays which might jeopardize favorable atmosphere for such an operation which we feel has been created by present tensions. We would, overselves, favor informing French of each successive step immediately prior implementation and would hope French would associate themselves with final statement to be made by three powers referred to paragraph 4, point (e)."

DULLES

No. 111

Editorial Note

In a speech in Rome, September 13, Prime Minister Pella called for a plebiscite in the Free Territory of Trieste, which he said would constitute "the formula of implementation of the Tripartite Declaration." He also proposed that, as a means of carrying out the plebiscite, a meeting be held in the near future of representatives of the United States, British, French, Yugoslav, and Italian Governments. Excerpts from Pella's speech were quoted in a *note verbale*, dated September 13, which the Foreign Ministry delivered to the Embassy and which formally requested the Embassy to call the attention of the United States Government to Pella's proposal. A translation of this *note verbale* was transmitted to the Department of State as an attachment to despatch 669 from Rome, September 18. (750G.00/9–1853)

In telegram 334, September 14, the Embassy in Belgrade reported that authoritative editorials in the Belgrade press had called Pella's proposal completely unacceptable. (750G.00/9–1453) Italian press comment on Pella's speech was described in telegram 885 from Rome, September 15. (750G.00/9–1553)

On September 13, Tito also delivered a speech, in Split, concerning the Trieste question. Excerpts from Tanjug's English-language summary of this speech were reported in telegram 329 from Belgrade, September 13, as follows: (1) Yugoslavia would consider the entry of Italian troops into Zone A as an act of aggression and would be compelled to take steps; (2) For the time being, Yugoslavia would not send troops to the border, but it would never be too late for the Yugoslav army to get there; (3) Italy had not abandoned its desire to advance eastward, particularly through Yugoslavia; (4) Contrary to rumors that Yugoslavia was drawing closer to the Soviet Union and its satellites, there had been no acts by these countries, which might be considered an indication of their desire for a normalization of relations; (5) Greece and Turkey should ignore the campaign carried on particularly in Italy which was designed to wreck Yugoslavia's relations with these countries in the Balkan Pact; and (6) Yugoslavia would remain faithful to its obligations to work through the United Nations together with all friendly nations for the consolidation of world peace. (750G.00/9–1353) The Embassy supplemented this account of Tito's speech by quoting excerpts of the unofficial translation of the text which appeared in *Borba* on September 14, excerpts in which Tito had commented on the idea of a plebiscite in Trieste and which had not been mentioned in the Tanjug summary. Among these excerpts were the following remarks by Tito:

"Why are we still against [a] plebiscite? I have said we are against it because Mussolini forced tens of thousand[s] of our fellow-countrymen out of Trieste . . . in that way Italian element was strengthened . . . in course of twenty or more years, nationalization of our fellow-countrymen has been carried out and therefore, it would be absurd for us to agree now, several years after the war; to a plebiscite . . . therefore, we all are against this plebiscite. And I say: First of all allow some 10 to 15 years to correct injustices and then let us see how many votes there will be for that and how many for this; allow it to open not under their pressure, our pressure or under pressure from anyone, but under free development and free self-determination of the people of this territory."

"We do not demand of people abroad to be on our side. We only demand that they be impartial, that they do not pour oil on fire, that responsible men in western countries try to get out of this blind alley in some way, that they do not again make some unilateral conclusions and agreements without our knowledge and against our will. There is no sense in that because we are an allied

country and want to remain such. We have enormously contributed towards the fact that today Europe is in [a] state of peace. . . ." (750G.00/9-1453)

No. 112

Editorial Note

On September 14, Ambassador Winthrop Aldrich in London delivered the United States proposal regarding Trieste (see Document 110) to Lord Salisbury, Acting Foreign Secretary, who expressed a desire to delay an official reply until the end of the month when it was expected that Foreign Secretary Eden would return to the Foreign Office. (Telegram 1092 from London, September 14; 750G.00/9-1453) On September 15, the Department of State instructed Aldrich to press the British Government for an answer since it believed that Prime Minister Pella might not wait until the end of September to bring the Trieste matter to a head and to confront the United States and the United Kingdom with a public request for turning over Zone A to Italy. (Telegram 1338 to London, September 15; 750G.00/9-1553) On September 16, Aldrich reported that the British Government had given its general agreement to the United States proposal, but that it believed it advisable to delay action in order to allow passions to die down. The Foreign Office had also expressed concern over the degree of pressure that could be exerted on Tito. Before the two governments reached a firm decision on the United States proposal, the Foreign Office considered it essential to have the advice of the British and United States Embassies in Rome and Belgrade. (Telegram 1135 from London, September 16; 750G.00/9-1653)

There followed two weeks of intensive discussions involving the British and United States Governments and their respective representatives in Rome and Belgrade. In general, United States officials continued to believe it possible to guide Italy and Yugoslavia into annexing each of the zones. British officials, while basically in agreement with the plan, were more skeptical of the chances for success. To coordinate the details of the implementation of the plan, the British Government at the end of September decided to send Nicholas J.A. Cheetham, Head of the Foreign Office Western and Southern Department, to Washington.

These developments, including the recommendations from the United States Embassies in Belgrade and Rome and the official response of the British Government to the United States proposal, as communicated in a memorandum of September 23, were summa-

rized in memoranda of September 21, 25, and 28, from Walter K. Scott of the Executive Secretariat to Secretary Dulles. (750G.00/9-2153; 750G.00/9-2553; and 750G.00/9-2853, respectively)

No. 113

Secretary's Memoranda of Conversation, lot 64 D 199, "Trieste"

Memorandum of Conversation, by the Deputy Assistant Secretary of State for European Affairs (Bonbright)

SECRET [WASHINGTON,] September 29, 1953.

Subject: Trieste

Participants: The Secretary
Henri Bonnet, French Ambassador
Mr. Bonbright, EUR

M. Bonnet raised the Trieste problem with the Secretary on his own initiative. He began by saying that because this problem had not been solved the Pella Government was completely paralyzed and unable to take necessary decisions in other fields. The French therefore felt that we must come up with a solution of the Trieste problem which he rather implied could be imposed. Their thinking was that the solution should be along the lines of the present boundary between Zone A and Zone B, perhaps to be followed by a five-power conference. His specific suggestion was that a tripartite working group be set up to come up with a proposed solution.

The Secretary agreed with the necessity of solving the problem. He pointed out that on previous occasions we had tried, and failed, to get a solution based on modifications of the Zone A, Zone B boundary. The difficulty with this was that refusal of Italy and Yugoslavia to agree on minor details, involving border rectifications of only a few miles, had prevented the reaching of an agreement on the whole problem. He therefore thought it was questionable whether such details should be discussed in a larger group such as a five-power conference. His inclination would be to let the Italians and Yugoslavs work these out.

With regard to the Ambassador's suggestion of a tripartite working group the Secretary said that he would take it under advisement but would not attempt to comment now.

(*Comment*: I obtained the distinct impression from M. Bonnet's attitude during the discussion that he at least suspects we are working on a plan for a solution of the Trieste problem and that the French suggestion for a tripartite working group was intended to smoke us out and get the French in on the ground floor.)

No. 114

Eisenhower Library, Jackson papers

Memorandum by the President's Special Assistant (Jackson) to the President

TOP SECRET [WASHINGTON,] September 29, 1953.

I am sure you agree that the solution of the Trieste problem rates the very highest priority. The situation, which in 1948 was soluble relatively easily, has steadily deteriorated since then and is going to deteriorate still further as the months go by. If it becomes much more of a "thing" than it is today, it could be very, very bad. Necessary as it is to remain on working terms with Tito, I doubt if by any stretch of the imagination a Trieste solution which didn't give Tito everything he asked for would drive him back into the arms of Moscow or into war with Italy. If he did fulminate a bit, we've been fulminated at by experts.

Furthermore, I personally don't think that the prospect of Tito's temporary anger and/or threats stacks up against the prospect of losing Italy, which is very conceivable if the Trieste solution does not include giving Italy Zone A, including the town of Trieste.

I know that this problem is classified "urgent" in the minds of Foster, Beedle, Allen,[1] and others at the top. What I fear, and I hope I am wrong, is that down the line at the working level, since the problem continues to be a nagging headache, the Indians are inclined to drag their feet.

Wouldn't it be a good idea to discuss this with Foster and actually establish a deadline within which the State Department would be given the responsibility for bringing about a solution? Incidentally, it might be advisable to use covert as well as overt diplomatic measures, and I believe Allen has some ideas in mind.

Last June, Clare Luce wrote me a letter[2] in which in her own inimitable style she included the following Estimate of the implications of Trieste. I should have sent it to you then.

> "For the want of Trieste, an Issue was lost.
> For the want of an Issue, the Election was lost.
> For the want of the Election, De Gasperi was lost.
> For the want of De Gasperi, his NATO policies were lost.
> For the want of his NATO policies, Italy was lost.
> For the want of Italy, Europe was lost.
> For the want of Europe, America . . . . . ?
> And all for the want of a two-penny town."

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[1]John Foster Dulles, Walter Bedell Smith, and Allen Dulles.
[2]Reference is to Luce's letter of June 30, Document 106.

No. 115

750G.00/9-3053

The President to the Secretary of State

WASHINGTON, September 30, 1953.

DEAR FOSTER: What are we doing about the Trieste affair? Ever since I returned to Europe in January of '50, I have been expecting some kind of solution within the month. In spite of the fact that I was, of course, hopelessly optimistic, it does not lessen the importance of the subject to Italy—and consequently to Western Europe and to America.

When we have a chance, let's talk about it.[1]

As ever,

DE

[1]In a memorandum to President Eisenhower, Oct. 1, Dulles replied, "As I think I said to you orally, we are pushing this vigorously and I would not yet give up hope that it may be settled 'within the month'. I say this with more hope since this is the first day of the month." (750G.00/9-3053)

No. 116

750G.00/9-3053: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET NIACT ROME, September 30, 1953—7 p.m.

1072. Limit distribution. I am deeply concerned by prospects delay inherent reports British tactics contained Embassy telegram 1056, September 29.[2] Seems clear introduction factor of "military consideration" will delay action despite fact Foreign Office has ostensibly reached agreement with us on plan for Trieste settlement. While important that military agree to plan we do not believe that Trieste settlement basically a problem involving overriding military factors. For more than year British have been telling us of desire to withdraw troops from Trieste. General Winterton obvious-

[1]Repeated for information to London and Belgrade.

[2]Telegram 1056 reported British doubts as to whether it would be desirable to have Italian troops enter Zone A prior to the complete evacuation of Allied forces. The Foreign Office had therefore proposed that the British Joint Chiefs study the plan for withdrawal, concert plans with U.S. Joint Chiefs, and then consult with Winterton. It might be three months, the Foreign Office believed, before the Allied forces could be withdrawn and the necessary conditions of security created in Trieste. (750G.00/9-2953)

ly has detailed withdrawal plan ready, thus making consideration at military level purely a formal matter.

I am not clear whether reported view of British Foreign Office means no approach will be made Pella and Tito until plan concerted on military level by UK JCS and US JCS before being discussed with Zone Commander. If this is literally true, would require more time than situation in Italy will permit prior to revelation our plans to Pella. Any long period of silence on US-UK part will seriously threaten Pella's position as reported in many messages from this Embassy. Therefore, in view of Parliamentary problem if we have no plan which can be presented to Pella in immediate future, I believe we should inform him confidentially and soonest of exact situation. Italian officials now firmly believe no approach has been made to them because of British procrastination. I consider it necessary to do this so that Pella can guide himself accordingly through the Parliamentary difficulties, and in order to prevent feeling of resentment on his part against US with result of deterioration of Italo-American relations. Indications in the press and in Parliamentary circles that Pella's so-called "transitional" government stands a good chance of becoming a permanent and stable government for Italy. This cannot be achieved without reasonable and demonstrable support by US. We would find it most difficult to deal with any government succeeding Pella, if he fell on Trieste question. Therefore, I do not believe we can sacrifice any chance of obtaining stable government in Italy by delay in presentation our plan for settlement of his most pressing and acute problem.[3]

LUCE

[3]In telegram 1138 to Rome, for Luce, Oct. 1, the Department of State noted its entire agreement with Luce's views regarding the urgency of putting the plan into action. It suggested that Luce inform Pella that he could expect an approach by the United States in the immediate future. For Luce's personal information, the Department of State reported that if Pella could keep the parliamentary debate in hand for the next five or six days, it hoped then to be in a position to make an approach. It also said that the British and U.S. Joint Chiefs were already in consultation with Winterton and it was believed this aspect would not cause delay. (750G.00/9-3053)

No. 117

750G.00/10-153

Memorandum of Conversation, by the Director of the Office of Western European Affairs (Byington)

TOP SECRET [WASHINGTON,] October 1, 1953.

Subject: Trieste

Participants: The Secretary
Sir Roger Makins, British Ambassador
Mr. Cheetham, British Foreign Office
Mr. MacArthur—C
Mr. Merchant—EUR
Mr. Bonbright—EUR
Mr. Barbour—EE
Mr. Byington—WE

The Secretary expressed his personal concern over the Trieste crisis and the real need to take a constructive step at this point. He added that the President also had been following this problem and only the other day had addressed a personal note to the Secretary about it.[1] At this point the Secretary quoted the pertinent remarks of the President concerning the urgency of action toward resolving this disturbing and critical Trieste problem.

The Secretary then informed the British Ambassador that on the whole the plan for Trieste which had been worked out jointly between our two governments appeared well thought out and worth trying. It represented, however, quite an elaborate procedure in which an attempt had been made to provide for a wide number of contingencies, and which also was complicated by the fact that it called for separate action not only here and in London but also in Rome and Belgrade. Each move depended upon an individual, in this case, Tito, doing what we expected him to do. In an operation of this delicacy and complexity, particularly in dealing with a tough character such as Marshal Tito and the emotional character of the Italians, we could not be sure what would happen and a situation could very well arise where it would be imperative for us to reach a decision together in a matter of hours. We would have to act more quickly than is possible through normal diplomatic channels.

The Secretary noted that British agreement to the plan had to be obtained from the Cabinet. Often the holding of Cabinet meetings to discuss matters of this sort cause inevitable delays which, in the fluid Trieste situation, might become extremely dangerous. What the Secretary had in mind was whether the British Government could not delegate to the Ambassador authority to reach quick decisions with us in the face of unforeseen moves by either Italy or Yugoslavia in the critical situation we both envisaged. The Secretary noted that the Ambassador had with him Mr. Cheetham of the Foreign Office, who perhaps could be kept here,[2] and that also

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[1]Document 115.

[2]The first meeting among Cheetham, Salt, and representatives of WE, including Byington, occurred on Sept. 30. A memorandum of the conversation is in file 750G.00/9-3053.

there was in Washington a representative of the British Chiefs of Staff. Moreover, London could be reached readily on the phone.

Sir Roger Makins replied that he likewise recognized the complexities of the plan regarding Trieste and agreed on the possibility that it might be necessary to reach quick decisions in the face of reactions which we could not foresee. He said he would convey the Secretary's remarks to his government that evening.

He wished to reassure the Secretary, however, that the Cabinet tomorrow in considering the Trieste plan was only doing so in the broad sense of policy. If it approved the plan, subsequent details or actions related to the plan would not require further Cabinet meetings.

No. 118

750G.00/10-253

Memorandum of Conversation, by David Nes of the Office of Western European Affairs[1]

TOP SECRET [WASHINGTON,] October 2, 1953.

Subject: Trieste

Participants: Mr. Cheetham, British Foreign Office, London
Miss Barbara Salt, First Secretary, British Embassy
Mr. Homer Byington—WE
Mr. Walworth Barbour—EE
Mr. Richard Freund—WE
Mr. William Knight—WE
Mr. David Nes—WE

Mr. Cheetham opened the meeting by circulating for discussion a copy of General Winterton's report on the military aspects of our Trieste plan.[2] It was agreed that the difficulties as foreseen by General Winterton were not such as to preclude going ahead with the plan.

Mr. Byington pointed out that the key to General Winterton's anxiety was that the plan as originally drafted called for the handing-over of Zone A to the Italians simultaneously with our public announcement. As we were now prepared to set the time of actual turnover at a future date after the public announcement, this difficulty could be resolved by bringing the military up to date on the plan as it now stood.

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[1]Cleared with Byington. The meeting took place at 4 p. m.

[2]A copy of Winterton's report, telegram Taf 221 to the Department of the Army for the JCS, Oct. 2, is in Italian Desk files, lot 58 D 357, "Trieste October 1953".

With regard to General Winterton's estimate of three months as the period necessary for withdrawal, Mr. Barbour said that, from the political point of view, the sooner we are out the better. We should, therefore, first assure the military that the date of turnover would be left open and subject to their planning. We should endeavor to get them to reduce the time required to one or two months at the most.

Miss Salt said that, according to her information, the Joint Chiefs of Staff hoped to complete the military planning and submit their recommendations by Wednesday, October 7. Mr. Knight asked whether this meant our initial approach to Pella and Tito would have to await their report. Mr. Byington suggested the military might agree in principle to the plan on the basis of an assurance that the date of turnover would be left open and subject to their decision.

The group then discussed a number of possible press queries and the answers we might give. The $64 question would be, of course: "Does our plan mean that the Declaration of March 20, 1948, is abandoned?" After lengthy debate as to how we might reply to this, it was decided our reply would have to be pinned strictly to the new public statement with no direct reference either negative or positive to the March 20 Declaration. Mr. Byington offered some draft language which, after various modifications by the group, was accepted as a preliminary suggested reply subject to clearance at higher levels in the Department. Mr. Cheetham said he was prepared to refer this proposed language to his Government.

Other possible questions were then considered, and it was agreed that in handling these we had best say that the new public statement spoke for itself and there was nothing to add to it.

Colonel Anderson joined the meeting briefly, and Mr. Byington asked him to assure Admiral Radford that we would leave the date of turnover up to the military. He suggested that, were the Joint Chiefs of Staff to approve the plan in principle, we could go ahead with the diplomatic end. Colonel Anderson said it was essential that General Winterton be kept fully informed and also retain control until dependents and troops could be withdrawn in an orderly manner.

At this point, Mr. Cheetham received from the British Embassy the report of the Cabinet meeting, and he proceeded to summarize the instruction from the Foreign Office despatched as a result. In brief, the British Government refused to go along unless our assurances to Tito could be strengthened by changing "expectation" to "intention" in the proposed instructions to Belgrade and Rome. In addition, the public statement should contain a paragraph saying: "It is the intention of the US and UK Governments that the settle-

ment should become final." The instruction expressed the British belief that unless such assurances are given Tito, we will not secure the minimum degree of acquiescence from him necessary to justify the risk in proceeding with the plan. Subject to these modifications, the British Government was prepared to go ahead with the plan with a target date of October 6 or 7. The French should not be brought in until 24 hours in advance of the date set for the initial approach.

Mr. Byington pointed out that the British changes fundamentally altered the whole plan and all that we had agreed to up to this point. They could not but cause us dismay, and it would be necessary for him to present them to his superiors for decision. Mr. Byington gave as his personal opinion the view that even if, as a last resort, we were prepared to accept the British modifications in the instructions, it would be utterly impossible to include the language suggested in our public statement.

Mr. Cheetham said they would await our decision and that Sir Roger would be available to come over and discuss the matter with the Secretary at any time during the evening.

No. 119

750G.00/10-253

Memorandum of Conversation, by David Nes of the Office of Western European Affairs[1]

TOP SECRET [WASHINGTON,] October 2, 1953.

Subject: Trieste

Participants: Mr. Cheetham, British Foreign Office, London
Miss Barbara Salt, First Secretary, British Embassy
Mr. Homer Byington—WE
Mr. Richard Freund—WE
Mr. William Knight—WE
Mr. David Nes—WE

Miss Salt and Mr. Cheetham returned to the Department at our request to receive the decision of the Secretary on the modifications to the instructions and public statement proposed earlier in the day by the British Cabinet.

Mr. Byington said the Secretary had personally considered at some length and with a great deal of thought the British proposals. He fully understood and recognized the arguments presented and

[1]Cleared with Byington. The meeting took place at 6:30 p. m.

realized the importance from Tito's standpoint of giving our plan an air of finality. On the other hand, to impose the solution publicly on the Italians as final would in all probability bring about the fall of the Pella Government and might, in fact, make any center government in Italy an impossibility. The Secretary thought the assurances to be given Tito privately regarding the finality of the settlement should be sufficient for him and that he really could not see the necessity of repeating them bluntly in a public statement and so run the very serious risk of losing Italy. In a sincere endeavor to meet the British point of view, the Secretary had said, however, that we would be prepared to substitute "intention" for "expectation" in the instructions to both Belgrade and Rome. With regard to the paragraph suggested by the British for inclusion in the public statement, the language as proposed could not be accepted. The Secretary had, however, drafted a substitute paragraph which he hoped might help in bridging the gap. Beyond this, he was not prepared to go.

Mr. Cheetham thanked us for the expeditious way in which the British proposals have been received and discussed with the Secretary. He said he would cable the Secretary's reply to the Foreign Office immediately and hoped to receive a reply over the weekend.[2] He did not think it would be necessary for Sir Roger to talk to the Secretary as our reply was quite clear.

[2]Eden's reply is described in Document 121.

No. 120

Eisenhower Library, Jackson papers

The President's Special Assistant (Jackson) to the Ambassador in Italy (Luce)

CONFIDENTIAL
PERSONAL

[WASHINGTON,] October 2, 1953.

DEAR CLARE: This will acknowledge both your personal letter of September 7[1] and the cable through the Department.[2]

I think the point you raise in your cable is absolutely correct and will try to get the idea introduced into the labyrinth immediately. It's absolutely fantastic the way we have managed to get ourselves stuck with all the wrong words and images. Being for peace, we continue to use "war" and "warfare" in connection with all our ac-

[1]Document 106.
[2]Not further identified.

tivities, psychological and other; they being for war have monopolized the word "peace".

As to Trieste, I couldn't agree with you more. This whole sorry, long-drawn-out, downhill performance is a perfect illustration of routine thinking by a lot of people who will go to any lengths in order to avoid facing up to a problem. It is strictly out of the "let the dust settle" department, in spite of the fact that even a double-yoke egghead should know by now that the dust never settles by itself, but invariably develops into a twister.

Having taken that nasty crack at your Department, I should hasten to add that that is not the attitude of either Foster or Beedle or quite a few others near the top. Certainly it is not the attitude of the President.

Oddly enough, the problem is almost more administrative than political—how to get the sense of intelligent urgency at the top translated into whole-hearted legwork at lower levels. That is one that has not yet been licked.

I know that this rates highest priority and pretty much along the lines you indicate, and I will do everything I possibly can to remind the others of this fact forcefully and frequently. The Trieste question must be settled within the next 90 days.

That wonderful "Estimate" in your June 30 letter is going to be an invaluable ally.[3]

Love to you, and keep them flying.

Sincerely,

C.D. JACKSON

[3]Luce's letter of June 30 was enclosed in Document 106.

No. 121

Editorial Note

The wording of the draft instructions to Belgrade and Rome underwent further revision at the request of the British Government. Following receipt of a telegram from Ambassador Mallet in Belgrade. Foreign Secretary Eden, in a message to the British Embassy in Washington, dated October 3, made the following remarks:

"No one would wish to underestimate the importance of the points raised by Sir Ivo Mallet. It is because we have been very much aware of them that we have proposed certain amendments to the original American plan. As now amended it seems to us to represent the best available balance between mutually incompatible Italian and Yugoslav requirements. It is no doubt true that the phrase "the predominantly Italian character of Zone A" will

enrage Tito, and we are not enamoured of it. But it seems necessary to keep it not only to satisfy the Italians but as our only openly stated excuse for arbitrarily handing over Zone A to the Italians.

2. I feel bound, however, to say that I am impressed by one point raised in Sir Ivo Mallet's telegram. As you know, importance has hitherto been attached to securing a satisfactory assurance from Tito. The best thing, of course, would be if we could induce him to volunteer such an assurance by implying that we assume that he will not do anything so foolish as to resort to military action. But even if this did not elicit the necessary assurance or merely led him to reserve liberty of action, are we really prepared to allow him to hold up the whole operation? Should we not look very foolish if it became known, as it undoubtedly would, from the Italian side that Tito had been successful in frustrating the combined intention of Her Majesty's Government and the United States Government? The more I think about it, the more I am coming to feel that once we have embarked on our *démarches* in Rome and Belgrade, our only possible course is to make it clear to all concerned that we intend to go through with it.

3. This leads to a further point. If we place ourselves in a position of having to wait for an assurance from Tito, there is practically bound to be a leak, deliberate or otherwise, in one of the capitals. It would surely be undesirable for the news to be put out by either side before we had prepared world opinion for the solution. The only way we can prevent this would be to put out our public announcement a few hours after the *démarches* had been made. Should we not, by giving the two protagonists and the world the impression that we were determined to go through with the operation, have the best chance of forestalling undesirable repercussions both in Rome and Belgrade?'

A copy of this message is in the Italian Desk files, lot 58 D 357, "Trieste October 1953."

Although Eden's message was dated October 3, it apparently was not sent to the British Embassy until the evening of Monday, October 5, the day on which Eden officially resumed his duties as Foreign Secretary. In his memoirs, Eden stated that he discussed the proposal for a United States–United Kingdom public declaration regarding Trieste with Lord Salisbury on the morning of October 5, when he returned to the Foreign Office, and also later in the day with the Cabinet. (*Full Circle*, pages 204–205)

On October 6, Captain George Anderson of the Office of the Chairman of the Joint Chiefs of Staff telephoned the Counselor of the Department of State, Douglas MacArthur II, and said that the Joint Chiefs, from the military point of view, had no objection to accepting Eden's suggestion regarding the approach to Tito on Trieste. He added that the Joint Chiefs could see certain advantages in the British proposal since it would avoid having the affair drag out and leaks occur which might complicate matters. On the other

hand, according to Anderson, General Matthew B. Ridgway had pointed out that if Tito made trouble, there might be a very rapid evolution of events and the whole affair "might go like gun powder." (Memorandum of conversation by MacArthur, October 6, Italian Desk files, lot 58 D 357, "Trieste October 1953")

The British-United States Working Group in Washington also met on October 6 to discuss the British Foreign Office recommendation received the previous evening that the tactics be changed to require implementation of the plan regardless of Yugoslav or Italian initial reaction. Byington proposed that, in view of the Secretary's wholehearted concurrence, the draft instructions should be amended along the lines the British had recommended. He also said that they would know by 3 p.m. that day whether the approach had received United States Government clearance. (Memorandum of conversation, October 6; 750G.00/10–653)

No. 122

750G.00/10–653

Memorandum of Conversation, by the Assistant Secretary of State for European Affairs (Merchant)

TOP SECRET [WASHINGTON, October 6, 1953.]

Participants: The President
The Secretary
Mr. Merchant, EUR

The Secretary went over with the President the general contents of our agreed draft instructions to Rome and Belgrade.[1] He quoted Mr. Eden's message[2] in substantial part and described the means whereby we had achieved a compromise agreement with the British. The Secretary also described the plan for a public statement by the US and UK Governments immediately after the interviews with Pella and Tito.[3] It was also noted that these interviews we hoped would be held on Thursday of this week.[4] Finally, the Secretary stated that Admiral Radford had informed him that our Joint Chiefs of Staff approved the course of action we are embarked upon, but said that the UK and US Chiefs will have to reach agreement in detail on the exact instructions to General Winterton for

[1]The instructions were contained in telegram 1182 to Rome, *infra*, and in Document 124.

[2]Presumably a reference to Eden's message of Oct. 3 to the British Embassy in Washington, quoted in the editorial note, *supra*.

[3]For text of the public statement released on Oct. 8, see Document 130.

[4]Oct. 8.

the turnover. The President expressed surprise that Winterton's first estimate of the time required was three months, and thought that it could be done and should be done in a shorter period.

The President approved the plan for action as contained in the draft instructions, and then went on to say that he thought that the Secretary should interest himself in the disposition of the US forces now in Trieste. He said he recognized that we were moving on this matter with a view to establishing in the coming months an atmosphere in which the Italians and the Yugoslavs could cooperate amicably in the defense of what is NATO's right flank.

He said, however, that in the immediate future when we could expect fulminations on both sides, the weakness in that area was such as to give CINCEUR understandable concern. The President said he believed that the possibilities should be explored of holding together the US force when it moved out of Trieste, and arranging with the Italian Government to have it established in Northern Italy somewhere, possibly entering the barracks of the Italian forces which would move into Trieste at the time of the turnover. The Secretary said that he would follow this matter closely. He commented on the projected reduction in forces of both the French and British in Austria and the fact that he had called in both their Ambassadors to protest and to attempt to secure a reversal of these Governments' decisions.[5]

[5]Regarding this meeting, which took place on Sept. 29, see vol. VII, Part 2, p. 1904.

No. 123

750G.00/10-653: Telegram

The Secretary of State to the Embassy in Italy[1]

TOP SECRET NIACT WASHINGTON, October 6, 1953—8:35 p. m.

1182. Eyes only Ambassador. US-UK Governments have agreed upon presentation of their plan for Trieste along following lines which should be made orally and jointly to Pella with your British colleague on same day that Belgrade makes approach to Tito.[2]

1. US and UK have for many years jointly and separately endeavored to promote a negotiated Trieste settlement acceptable to

[1]Drafted by Nes and William E. Knight and cleared with Barbour, Byington, and Bonbright; repeated for information to London, Paris, and Moscow eyes only for the Ambassadors; and to Belgrade eyes only for the Chargé; and Trieste eyes only for the Political Adviser.

[2]The instructions to Belgrade concerning the approach to be made to Tito were contained in telegram 381, Oct. 6, *infra*.

both Italy and Yugoslavia. The most recent proposals of Italy and Yugoslavia have met respectively with rejection by the other side, and a mutually agreed solution still appears impossible. This situation has become intolerable and we are not prepared to permit it any longer to poison our relations with Italy and Yugoslavia and jeopardize policies of fundamental importance to the four governments and indeed to all Western Europe.

2. In these circumstances the two Governments have decided to hand over the administration of Zone A to the Italian Government. They hope by this action to bring about a situation which will relax the present tension between Italy and Yugoslavia and make possible friendly cooperation between them in a wide field. We would expect that the Italian Government in assuming this responsibility would give public assurances re minorities and civil rights in Zone A along the lines of Art. 4 of permanent FTT statute. Simultaneously with our approach to Prime Minister Pella we are informing President Tito of our decision and a joint US-UK statement will be issued at (time to be given Embassies later) a copy of which you should hand him for his advance information.[3]

3. You should add that in taking this step both Governments are aware that it constitutes a *de facto* settlement and it is their intention that this *de facto* settlement will actually become final. Neither the Yugoslav nor the Italian Government, however, will be requested by the US and UK to adhere formally to this interpretation. Should either the Italian or Yugoslav Government later wish to initiate bilateral negotiations with a view to the modification of boundaries the US and UK Governments would not intervene in behalf of either party and the Yugoslav Government is being advised accordingly.

DULLES

[3]The text of the statement was transmitted in telegram 1185 to Rome, Oct. 6. (750G.00/10–653) For text of the joint statement, released on Oct. 8, see Document 130.

No. 124

750G.00/10-653: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET NIACT WASHINGTON, October 6, 1953—8:36 p. m.

381. Eyes only Chargé. US-UK Governments have agreed upon presentation of their plan for Trieste along following lines which should be made orally and jointly to Tito with your British colleague. You should request immediate appointment with Tito and as soon as appointment set notify Embassy Rome at once in order that approach to Pella can be made on same day.[2]

1. US and UK have for many years jointly and separately endeavored to promote a negotiated Trieste settlement acceptable to both Yugoslavia and Italy. The most recent proposals of Yugoslavia and Italy have met respectively with rejection by the other side and a mutually agreed solution still appears impossible. This situation has become intolerable and we are not prepared to permit it any longer to poison our relations with Yugoslavia and Italy and jeopardize policies of fundamental importance to the four governments and indeed to all Western Europe.

2. As the Yugoslav Government has frequently been told, and most recently in tripartite military talks just concluded, we are convinced that our military relations with Yugoslavia have reached the point where to permit further progress in planning and programming it is imperative that Trieste situation be stabilized.

3. In the circumstances the two governments have decided to hand over the administration of Zone A to the Italian Government. They hope by this action to bring about a situation which will relax the present tension between Italy and Yugoslavia and make possible friendly cooperation between them in a wide field. The US and UK Governments are today approaching the Italian Government along parallel lines. You should at this point inform him that a joint US-UK statement will be issued at (time to be given Embassies later), copy of which you should hand him for his advance information.[3]

4. You should add that in taking this step both Governments are aware that it constitutes a *de facto* settlement and it is their inten-

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[1]Drafted by Nes and William E. Knight and cleared with Barbour, Byington, and Bonbright; repeated for information to London, Paris, Rome, and Moscow eyes only for the Ambassadors, and to Trieste eyes only for the Political Adviser.

[2]The instructions to Rome concerning the approach to be made to Pella were contained in telegram 1182, Oct. 6, *supra*.

[3]The text of this statement was sent to Belgrade in telegram 382, Oct. 6. (750G.00/10-653)

tion that this *de facto* settlement will actually become final. Neither the Yugoslav nor the Italian Government however will be requested by the US and the UK to adhere formally to this interpretation. Should either the Italian or the Yugoslav Government later wish to initiate bilateral negotiations with a view to the modification of boundaries the US and UK Governments would not intervene in behalf of either party and the Italian Government is being advised accordingly.

5. We have based our policies towards Yugoslavia on considerations of hard-headed realism which has brought benefits to both sides. We feel entitled to expect that President Tito will understand the need for equal realism on his part. We understand that he has a problem with respect to his public position. It is however essential that any reaction on his part should not extend to military action against Italy or Zone A, since this would endanger the policies which we have followed toward Yugoslavia and which we are anxious to continue.

6. (FYI Purpose of this conversation would be to ascertain, without specifically asking him, what Tito will do when faced with turnover of Zone A to Italians and to lead him, again without specifically suggesting it, to volunteer assurance that he will take no military action.)

7. If Tito reacts immediately by saying he will annex Zone B you will inform him that we would not protest his annexation of Zone B nor if Italy thereafter annexed Zone A would we protest. At this point you should also point out to Tito that annexation of Zone B would not initially require movement of military forces but only administrative action.

8. If Tito reveals his intention to annex you should seek assurance that Yugoslavia would give guarantees regarding minorities and civil rights along lines Art. 4 of permanent FTT statute. Should Tito indicate that he will not annex Zone B the same assurances regarding minorities and civil rights should be requested on the grounds they are being requested of Italy in Zone A.

9. If notwithstanding above *démarche*, Tito indicates he will take military action, the US and UK representatives would inform him that they would have to report to their governments. They should also emphasize the seriousness with which their governments will view Tito's reaction.

DULLES

No. 125

750G.00/10–753 Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET NIACT ROME, October 7, 1953—4 p. m.

1157. Limit distribution. I met with Pella who sent for me this morning at 11:30. He pointed out that he had staked his own and government's position on assurances that he would work for return of entire FTT to Italy. I told him that he must by now realize this was unrealistic. He replied that he would be judged by his intentions rather than the final results and that he would gladly accept any forthcoming proposal of my government which allowed him to say that he had accepted a "provisional" proposal which permitted him to work out with Tito the remaining problems in spirit of tripartite declaration. I indicated that our proposal was not explicitly provisional nor explicitly non-provisional but would be subject to interpretation. Pella asked if Tito interprets it as final and he (Pella) interprets it as provisional, which interpretation will the Allies say is the right one? He then said that he hoped that the proposal would not result in Tito's annexing Zone B and asked if I thought it would. I said that as the present crisis had begun by Italian fear that the Yugoslavs would do just that it would be even more of a possibility after the proposal. He asked would our governments support such a move. I replied that we certainly hoped Tito would do nothing to prejudice an ultimate solution of Italian-Yugoslav relations. He said that if Tito annexed Zone B and if the UK-US did not protest annexation Italian public opinion would consider the whole *démarche* as a plan to bring about this very act. He emphasized repeatedly need for some provisional character in our proposals that would make it possible for him to accept without being open to charge that he had agreed in advance to Zone A-Zone B settlement.

I replied that proposal is now settled (Deptel 1182, October 6[2]) but I believe that it is important to point out that, as it now stands, plan is substantially the same British *de facto* Zone A-Zone B settlement which has long been and will still be unacceptable to Italian public opinion. By failing to tell gist of entire proposal secretly to Pella in order he might realize that one part of solution is provisional but that definitive solution must be worked out in reasonable time, we may now find it as difficult as previously to conclude

[1]Repeated for information to London and Belgrade eyes only for the Ambassadors.

[2]Document 123.

facilities negotiations and other Italo-American problems which our original plan would have facilitated. Pella emphasized Italian Government and public opinion will certainly take attitude that British view has prevailed and, while Trieste question will be settled by imposition, the repercussions may not be favorable to our own basic interests. I hope we will recognize the adverse reaction in Italian opinion if Tito should annex Zone B and then publicly state he had done so on private assurances from US and UK that we had no objections, no matter what we may say about Italian annexation of Zone A.

In later conversation, high Foreign Office official stated that if Tito annexed Zone B, Italy would not annex Zone A, since if Italy should take this step it would be interpreted that the government has acquiesced at this time in a final Zone A–Zone B solution. Official emphasized need for labelling solution "provisional" rather than "*de facto*" since latter word implied a permanent solution which required only formal approval at a later time. He stated that Italian Embassy London had received definite impression that our proposal would be more or less definitive.

LUCE

No. 126

750G.00/10–753: Telegram

The Ambassador in Italy (Luce) to the Department of State

TOP SECRET NIACT

ROME, October 7, 1953—8 p.m.
[Received October 7—2:37 p. m.]

1167. Eyes only Secretary of State. In instructions for simultaneous *démarche* to Pella and Tito it is plain British have at last moment demolished our carefully constructed plan for solution of Trieste question by removing from official text any possibility of Pella interpreting it as provisional even temporarily provisional, which interpretation would have facilitated his signing facilities negotiations and forward movement EDC. We will now be imposing on Pella definitive flat *de facto* Zone A–B solution which plainly scraps tripartite agreement. This is very solution De Gasperi has consistently refused and Pella has publicly announced he will never accept. When contents of official *démarche* become known they will be denounced by all parties here and there will follow loss of prestige for Pella government which will be the greater as he has gone way out on political limb in assurances he is hopeful of achieving acceptable provision proposals within spirit of tripartite

declaration. Realize it is now too late to change instructions but feel obliged to repeat that Embassy feels imposition of this now plainly definite official plan will have painful consequences to our basic interest vis-à-vis Italy, and that we would have so advised if there had been time to do so.

I will naturally urge Pella to accept plan in realistic and constructive spirit but doubt that when official plan becomes known with all the will in the world he will be able to dig himself out of the political hole this plan now puts him in.

LUCE

No. 127

750G.00/10–853: Telegram

The Chargé in Yugoslavia (Wallner) to the Department of State[1]

TOP SECRET NIACT BELGRADE, October 8, 1953—noon.

419. Mallet and I made presentation to Tito.[2] Bebler was present.

Tito was calm throughout. He said he must consult his government and would give us answer tomorrow. He gave no indication regarding either annexation or military action. His personal view was that this was not a solution acceptable to Yugoslavia and our decision would not lead to desired ends. It was temporary in character since it did not repudiate 1948 Declaration, gave Italy new positions and would encourage her exhibitions for more Yugoslav territory.

We emphasized our intention that solution should be permanent as evidenced by our decision to support no Italian territorial claim. Tito said that while he accepted our intentions he was doubtful of our ability to carry them through.

Tito asked when we would publish communiqué[3] (we gave him copy) and we replied perhaps very soon. He suggested that we might care to wait until we had his answer as he planned to publish a communiqué also.

WALLNER

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[1]Repeated for information to Rome, Paris, London, and Moscow, eyes only for the respective Ambassadors, and to Trieste eyes only for the Political Adviser.

[2]Reference is to the oral presentation described in Document 124.

[3]For text, see Document 130.

No. 128

750G.00/10-853: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET NIACT ROME, October 8, 1953—6 p. m.

1179. Limit distribution. V. Mallet and I met Pella 9:15 a.m. Zoppi and Casardi participated translating verbatim. Mallet opened discussion first reading text public statement (Deptel 1185, October 6[2]). He then read complete text secret instructions (Deptel 1182, October 6[3]), afterwards handing copy to Pella, but making very clear we were not leaving official document but simply record of oral presentation of proposed Trieste solution.

In reply Pella thanked us for our visit stating he was well aware our proposal was result of continuing personal efforts to find some solution. He said his first reaction was that he would have preferred if the joint communication had made a direct recognition of his proposal for a plebiscite as this solution was, in his mind, still best solution for Trieste question. Secondly, he pointed out he would have preferred it if our governments, in proposing solution, had not so constantly placed Italy on same footing as Yugoslavia. He said, however, that proposal contained "constructive and positive aspects provided it did not lose its provisional character". He will immediately refer substance of proposal to proper authorities in Italian Government. Should proposal lose, however, its provisional character when presented to government he felt sure that Italian reaction would be negative, particularly in Parliament, inasmuch as government is bound by Bertole and Cortesi motion (Embtel 1153, October 7[4]). He said all parts of public statement and secret instructions which emphasize the provisional nature of proposal will contribute to achieving final agreement. Other parts however which emphasize the definitive nature of the proposal will make a final solution more difficult. He hoped US and UK will emphasize provisional rather than definitive nature of the proposal in all approaches to problem. Pella stated he would give his definitive answer as soon as possible but emphasized again that in presenting solution aspects of our proposal. He did not indicate whether his government would accept administration of Zone A. I asked Pella whether he would have a plebiscite in Zone A after occupation, or if he would enter negotiations with Tito on a plebiscite in whole

[1]Repeated for information to Belgrade, London, Paris, Trieste, and Moscow.
[2]Not printed. (750G.00/10-653) The text referred to is quoted in Document 130.
[3]Document 123.
[4]Not printed. (750G.00/10-753)

FTT area in view of his interest in this type of solution. Pella stated that he continued to consider the plebiscite the best formula but to hold it after Italian entry into Zone A would require the removal of troops by both countries.

In closing the conversation Mallet emphasized that Italian Government must understand that the US-UK decision to withdraw from Zone A would be carried out irrespective of the Italian position. He pointed out that the proposal was more favorable to the Italians than to Yugoslavs and he hoped that Pella would concentrate on its positive and constructive aspects.

The discussion was held in a calm, friendly but not a jubilant atmosphere. My own impression is that Pella will be able to accept our proposal provided British do not continue to overemphasize either privately or publicly final nature of solution. I as well as other Embassy officers have stressed on high level Foreign Office officials the need for positive and favorable reaction to our proposal by Italian Government urging them to take advantage of favorable factors in plan in both their public and private reactions.

Foregoing report of conversation with Pella has been coordinated with British Embassy. While we have not attempted to send identical reports, there is complete substantive agreement with British report.[5]

LUCE

[5]In telegram 1180 from Rome, Oct. 8, Luce reported that after leaving Pella's office that morning, she had said to Mallet that their chief problem during the next few days would be to keep Pella from overemphasizing the provisional interpretation of the plan, a statement with which Mallet agreed. Both of them thought that it would be best if the United States and the United Kingdom did not overemphasize the definitive nature of the plan. Moreover, they felt that it would be most unfortunate if Tito said publicly that he was making this *de facto* solution a final one by immediately annexing Zone B and claiming that this action had been suggested to him by the U.S.-U.K. *démarche* in Belgrade. (750G.00/10–853)

No. 129

750G.00/10–853: Telegram

The Ambassador in France (Dillon) to the Department of State[1]

SECRET NIACT PARIS, October 8, 1953—1 p.m.

1386. On receiving telephonic clearance from Byington last night, Embassy officer called Margerie at 1 a.m., to tell him that we and UK wished to deliver important message re Trieste. Margerie sug-

[1]Repeated for information to London, Rome, Belgrade, and Moscow.

gested waiting morning as Bidault had retired and wished to handle the matter personally.

This morning, Bidault sent for me at 10:30, having simultaneously asked Harvey[2] to see him at 10 o'clock. In view of Bidault's desire to see us separately, main explanation was made by Harvey, who left with Bidault copies of proposed press statement, as well as copies of our instructions to Belgrade and Rome.[3] When I arrived, Bidault asked me if I had any message to give, and I said that my instructions had been to see him jointly with Harvey, and that the papers which he had received from Harvey were the same as contained in my instructions. Bidault then asked me to inform the State Department and the Secretary personally that he was very upset, hurt and displeased at the way in which this action had been taken. He said that he had no substantive objection to what US and UK were doing but only to the manner in which the decision had been taken. While the purely military aspects of Trieste were obviously a US-UK problem, there were serious political implications in our decision, and France should have been associated with these decisions. He could not accept the explanation that our reason for not informing the French was because of fear of a press leak. This explanation, he said, merely added insult to injury.

The basic fault in our action, he said, was that a decision originally taken by three powers, i.e., the 1948 declaration, could not be modified by a two power decision. He then said he would never be able to understand why such a highly ungracious course of action had been adopted. In spite of all this, France would give every counsel of moderation to both Belgrade and Rome, although, under the circumstances, France naturally could not assume any responsibility for the action being taken by US and UK. In no event, however, could he agree to the suggestion contained in the last paragraph of Deptel 1299,[4] which he considered the worst part of the whole affair. He recalled that he personally had originally announced the March 20th 1948 declaration, and, clearly, he could not agree publicly to its being changed unilaterally by the US and the UK. He then said that while it would not change his feeling of chagrin, it would satisfy his intellectual curiosity if he could be told of any real reason why this action had been taken on a bipartite rather than a tripartite basis.

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[2]British Ambassador in Paris Sir Oliver Harvey.

[3]The instructions to Rome were contained in Document 123. The instructions to Belgrade were contained in Document 124. The text of the press statement was transmitted to Paris in telegram 1298, Oct. 6. (750G.00/10-653) For the text of the press statement, released on Oct. 8, see *infra*.

[4]Not printed.

I told him the only information I had from Washington conformed to the press leak story given him by Harvey, but that, as an outsider who had had no part in the affair, it had occurred to me that the US Government might have had some thoughts along the lines of those indicated in paragraph 5 Deptel 1299. Bidault did not seem to think that this thought was of any importance or could be valid as an explanation, so I dropped the matter promptly.

His whole attitude during interview was one of hurt and chagrin, rather than of anger. I believe this feeling will pass if we are particularly careful of French susceptibilities in the immediate future.

DILLON

No. 130

Editorial Note

The following announcement was released by the Department of State at 3 p. m. on October 8 and simultaneously by the British Foreign Office in London:

"The Governments of the U.S. and U.K. have viewed with great concern the recent deterioration in the relations between Italy and Yugoslavia which has resulted from the dispute over the future of the Free Territory of Trieste.

"Since the conclusion of the Second World War, the two Governments have jointly exercised the administration of Zone A of the Territory under the terms of the Italian Peace Treaty. Similarly, the Yugoslav Government has continued to be responsible for the administration of Zone B. These responsibilities were to be purely temporary and it was never envisaged that they should become permanent. For reasons that are well known, it proved impossible to reach agreement with the other signatories of the Peace Treaty for setting up the permanent regime for the Free Territory provided for in the Treaty.

"The Governments of the U.S. and U.K., who were thus faced with a situation not contemplated in the Treaty, subsequently employed their good offices on frequent occasions in the hope of promoting a settlement by conciliation between Italy and Yugoslavia. Unfortunately it was not possible to find a solution acceptable to both sides. Moreover the recent proposals put forward by Italy and Yugoslavia have been reciprocally rejected.

"In these circumstances, the two Governments see no alternative but to bring the present unsatisfactory situation to an end. They are no longer prepared to maintain responsibility for the administration of Zone A. They have therefore decided to terminate the Allied Military Government, to withdraw their troops, and having in mind the predominantly Italian character of Zone A to relinquish the administration of that Zone to the Italian Government. The two Governments expect that the measures being taken will lead to a final peaceful solution.

"It is the firm belief of the two Governments that this step will contribute to stabilization of a situation which has disturbed Italo-Yugoslav relations during recent years. They trust that it will provide the basis for friendly and fruitful cooperation between Italy and Yugoslavia, which is as important to the security of Western Europe as it is to the interests of the two countries concerned.

"The withdrawal of troops and the simultaneous transfer of administrative authority will take place at the earliest practicable date, which will be announced in due course." (Department of State press release 547, October 8, 1953, reprinted in Department of State *Bulletin*, October 19, 1953, page 529)

Although the reaction of the Italian Government and the Italian people was highly favorable to the announcement, the reaction in Yugoslavia was angry and violent. Belgrade radio comments on the night of October 8 were extremely critical and indicated that Yugoslavia would take measures through the United Nations against the decision. That evening large demonstrations took place before the United States, British, and Italian Missions in Belgrade. The demonstrators waved flags, shouted "Trieste is ours," and sang Slovene songs. Numerous windows in the United States Embassy and USIE building were broken, but there were no personal injuries and no Americans were molested. (Telegram 421 from Belgrade, October 8; 750G.00/10-853) Further demonstrations occurred on October 9, at which time more stones were thrown and windows broken in the United States Embassy. (Telegram 429 from Belgrade, October 9; 750G.00/10-953) At the Secretary of State's staff meeting on the morning of October 9, Merchant reported that he thought the demonstrations in Belgrade had probably had a helpful effect as far as Italian acceptance of the Trieste solution was concerned. He also said that he was particularly interested in the fact that the demonstrations were "apparently spontaneous and unrehearsed since they began almost immediately following the announcement." (Memorandum of conversation, October 9; Secretary's Staff Meetings, lot 63 D 75, October 1953)

The first official Yugoslav Government reaction was in a note of October 9 delivered to the United States Embassy in Belgrade, which demanded that the decision on Trieste be withdrawn. A second note, given to the Embassy on October 12, indicated that the Yugoslav Government intended to bring the Trieste dispute before the United Nations. It also contained the Yugoslav Government's request that a conference involving the United States, the United Kingdom, Italy, and Yugoslavia be convened to give urgent consideration to the Trieste matter.

In a speech at Leskovac October 10, Tito strongly denounced the United Kingdom-United States decision on Trieste and reaffirmed his previous position that Yugoslavia would consider Italian occu-

pation of Zone A as an act of aggression. He said that Yugoslavia had already sent military reinforcements to Zone B. Tito stated further that Yugoslavia had cooperated with the United States and the United Kingdom in order to resist aggression, not to secure aid, and that Yugoslavia would not trade territory for aid. He concluded his speech by asking that the October 8 decision be revoked and that consideration be given to a new Yugoslav proposal that the Free Territory of Trieste be divided into two autonomous units, one under Italian and the other under Yugoslav sovereignty. This speech was summarized in telegram 447 from Belgrade, October 10, 1953. (750G.00/10–1053) On October 11 Tito spoke at Skoplje and, according to the Tanjug English-language summary of the speech, said that Yugoslavia had to tell the outside world that it was ready to prevent a new betrayal of its interests and that Yugoslavia was not "clamoring or jesting" because the whole Yugoslav people were ready to lay down their lives for the defense of the interests and rights of their country. The moment Italy entered Zone A, said Tito, Yugoslavia would enter it. Tito again called for the two Western countries to withdraw their decision. (Telegram 451 from Belgrade, October 11; 750G.00/10–1153)

In telegram 1233 to Rome, October 9, eyes only for Luce, Secretary Dulles expressed his gratitude for "the skillful way in which you have handled the delicate and important program for Trieste." Dulles said that the first reactions indicate that the operation would be successful and "we hope and believe that your handling of the matter will enhance our prestige in Italy." (750G.00/10–953) In telegram 1206 from Rome, October 10, eyes only for Dulles, Luce thanked the Secretary for his message and "above all for your unflagging confidence and firm leadership which have permitted me to carry forward here the President's policy." She also said, "The consequences of your Trieste decision must inevitably create difficulties elsewhere but I believe they will be overcome and be compensated for by increasing Italian cooperation with your European policies as the result of a great improvement in Italian-American relations." (750G.00/10–1053)

No. 131

Secretary's Memoranda of Conversation, lot 64 D 199, "Trieste"

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Barbour)

SECRET [WASHINGTON,] October 12, 1953.

Subject: Trieste

Participants: Yugoslav Foreign Minister Koca Popovic
Yugoslav Ambassador Vladimir Popovic
Dr. Mirko Bruner, First Secretary, Yugoslav Embassy
The Secretary
Mr. Livingston T. Merchant, Assistant Secretary for European Affairs
Mr. Walworth Barbour, Director, Office of Eastern European Affairs

The Foreign Minister[1] opened the conversation by noting that the recent US-UK decision on Trieste is unilateral and without advance consultation with the Yugoslavs, but that Yugoslavia, being anxious for a peaceful settlement, has two proposals to present to the US and UK in this connection. The first is that the City of Trieste be administered as an autonomous entity under Italian sovereignty for ten years while the rest of the Free Territory be similarly administered by Yugoslavia for the same period. This is the maximum that Yugoslavia could accept. The Foreign Minister added that the Secretary General of the UN had been informed of the matter as one which could endanger the peace and Yugoslavia reserves the right to bring the matter to the attention of the UN if the Western Powers do not accept the second Yugoslav proposal, which is to call a Four-Power meeting of the US, UK, Italy and Yugoslavia to find a peaceful solution. The Foreign Minister remarked that the US-UK decision had been a source of deep bitterness among the Yugoslav population, but Yugoslavia has a strong interest in the continuance of good relations with the US, UK, etc.

The Secretary said that the decision had been taken in the expectation that it would end a situation which was interfering with good relations between the US, Yugoslavia and Italy and with the partnership relation which we want with the Yugoslavs. Happily, military conversations have been taking place between the Yugoslavs, Turkey and Greece.[2] Similarly, recent military talks had

[1]Koča Popović was in the United States to attend the Eighth Session of the U.N. General Assembly.

[2]For documentation regarding these conversations, see Documents 306 ff.

been held with the Yugoslavs at the Pentagon.[3] However, difficulties had arisen over Trieste and such military conversations cannot be fully developed in the absence of a Trieste solution. The Secretary was surprised that the US-UK decision had not met with acceptance by the Yugoslavs. The Trieste problem constitutes a clear obstacle to closer relationships in the future. On the basis of our impressions the decision should be acceptable to the Yugoslavs. We had no advance talks with the Italians nor the Yugoslavs. In the latter case the Yugoslavs were aware no such talks took place. They would have to take his word for the former. The Secretary went on to say that we had reason to believe a solution on a Zone A–Zone B basis, subject to any further negotiations on details that might be desirable, would be acceptable. We expected difficulties with the Italians. A month ago the Secretary had made a statement to the press in regard to the relationship between the 1948 Declaration on Trieste and possible solutions.[4] That statement had evoked satisfaction from the Yugoslavs but not from the Italians. Therefore the decision which presages a definitive settlement along the lines of Zone A–Zone B was expected to be accepted by the Yugoslavs. It constitutes a departure from the 1948 Declaration for the Italians but it was thought to be approved by the Yugoslavs. There must accordingly be a misunderstanding over this action. The Secretary referred specifically to the violent character of Yugoslav reactions and the physical injury suffered by US officials in Yugoslavia.

Foreign Minister Popovic stated that the Yugoslavs had not supposed that the governments exercising mandatory authority in Zone A would impose a solution without consultation when Yugoslav rights were affected. Yugoslav reaction might have been anticipated, US and UK assumptions in that connection having been incorrect. This could have been avoided had they taken account of Yugoslav positions which were known to them. The problem, he said, involves both the past and present. It cannot be forgotten that the Italians attacked and dismembered Yugoslavia. Italian appetites have recently increased, they have been penetrating the area and now they desire the whole territory. They have harshly and brutally denationalized Yugoslavs on territory under Italian domination. For these reasons the US-UK decision is unacceptable and has prompted the Yugoslav proposals which take into account the rightful interests of Yugoslavia.

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[3]A summary report of these talks held in Washington, Aug. 24–28, is in file 611.68/8-2453.

[4]Secretary Dulles' statement to the press on Sept. 3 regarding Trieste is quoted in Document 94.

The Secretary said that it is a distressing point of view that the Yugoslavs cannot forget the past, and present and future actions must be based on the past. The quality of greatness is as much to forget the past as to remember. A program to rebuild and strengthen Europe involves the French and Germans forgetting the past and looking toward the future. The US, particularly in the Pacific, suffered in the past but now forgets and looks toward the future. Unless the past is forgotten we will have a world of increasing enmity. The future world depends on forgetting and, while we realize it is difficult and would not expect the past to be totally forgotten, inspired statesmanship and a desire to build the future is the role to which we welcome Tito. He is now working with Greece and Turkey. Unless a proper spirit develops between Yugoslavia and Italy, plans for Europe are dubious.

The Secretary noted the Foreign Minister's concern that Zone A would be a base for further Italian aggrandizement. The Secretary did not believe that this is a realistic concern. In any case, plans can be made to reduce it and it thus does not justify the Yugoslav reaction. The Secretary admitted it would have been a more normal procedure to have consulted with the Italians and the Yugoslavs but we have done that for five years. The two governments were not prepared to carry indefinitely a responsibility which was originally intended to be only temporary and believed that now was the time for a decision to end the hostility between Italy and Yugoslavia, who [*sic*] we want as friends and with whom we wish to work on a more constructive scale in the future.

The Foreign Minister said that Yugoslavia has given evidence that they wish to forget the past, as the Secretary suggests, to the extent possible. The best proof thereof is that Yugoslavia has made constructive proposals to establish good relations with Italy. The Italians should forget. Their relations with Greece and Turkey have been developed. The West, however, has supported Italy and the more support Italy has received the more their aspirations have increased. The Foreign Minister is afraid that they cannot be sure that this will not be the effect of the present decision, despite the motives the Secretary outlined. It is Yugoslavia's deep conviction that the decision endangers relations between the two countries. Regardless of our assessment, we are in a concrete situation. He hoped the Secretary would agree on the necessity of bringing about a just settlement.[5]

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[5]A typewritten note on the source text indicates that the conversation was suspended at this point to permit the Secretary to keep an engagement with the President and that a further meeting was arranged for 2 p.m., Oct. 13. A memorandum of this subsequent conversation is *infra*.

No. 132

Secretary's Letters, lot 56 D 459, "T"

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Barbour)

SECRET [WASHINGTON,] October 13, 1953.

Subject: Trieste

Participants: Yugoslav Foreign Minister Koca Popovic
Yugoslav Ambassador Vladimir Popovic
Dr. Mirko Bruner, First Secretary, Yugoslav Embassy
The Secretary
Mr. Livingston T. Merchant, Assistant Secretary for European Affairs
Mr. Walworth Barbour, Director, Office of Eastern European Affairs

The Secretary resumed the conversation interrupted yesterday (see memorandum of conversation of October 12[1]). He stated he had been reading cables regarding the violent speeches, demonstrations and attacks on Americans, involving the burning of the portrait of President Eisenhower, etc., which had been taking place in Yugoslavia. These actions make a distressing impression when friendship and cooperation, which has been fostered so many years, blows up for a cause which is without substance. One wonders how genuine the friendship is. If real, it does not disappear over-night. The Secretary asked the Foreign Minister to inform his government that we take a serious view of these demonstrations which gave the appearance of being organized and indicated that the population was not acting spontaneously but being incited to anti-American acts and worse. As the Secretary had previously told the Foreign Minister, we have taken action which we believe to be acceptable to Yugoslavia and designed to allay a troublesome problem. Without the Yugoslavs making any effort to understand or appreciate our motives, there have developed attacks on the US and Britain which prejudice years of effort to restore mutually advantageous relations. Whatever the intention of the Yugoslav Government, the violence of its leaders and the fact that the mobs are not effectively controlled is incompatible with the relationship we have tried to create. Between friendly nations there are inevitably differences. We never expect to find fully acceptable solutions to everything. However, if on the first occasion when some action is not

[1] *Supra.*

liked it leads to such violent outbreaks, it is difficult to see the future since there will always be differences. We have sometimes to accept solutions which are not 100% perfect, although in this case we believe this solution is almost 100% in Yugoslavia's interest. The US-UK decision was a basic component of a more tolerant understanding. We were not in the slightest motivated by animosity to Yugoslavia, but, on the contrary, felt that the decision would make for better relations which we desire. As for Italy, it is anticipated she would have difficulty with the 1948 Declaration.

The Foreign Minister stated that on behalf of his government he regretted the excesses and did not wish to justify them. However, as the question of the violence of these attacks had been raised in a context which qualified them as a discontinuance of friendly relations, he wished to remark that the bitterness in Yugoslavia and the Yugoslav Government's reaction merely are the result of strong feelings and they believe that through this unilateral decision, relations have received a blow which has caused the bitterness. On the other hand, although the Secretary accompanied his remarks by reservations, there is no basis for the assertion that the demonstrations were staged or stimulated by the Yugoslav Government. Even the US press correspondents in Yugoslavia have reported that the demonstrations were spontaneous and that the government had taken all suitable measures. As to the Secretary's last point the Foreign Minister agreed that it is difficult to reach fully satisfactory settlements. This, he said, is obvious. There is another element involved in the Yugoslav reaction, namely, the equality of nations. Yugoslavia considers the decision both in substance and form as constituting a precedent very hard to accept in the conduct of relations generally, and particularly US-Yugoslav relations. It is difficult for any nation, no matter how much political maturity or wisdom it may have, to decide what is best for another nation. The best motives do not guarantee the results. It is important to emphasize this since another undesirable development has taken place, namely, that the Soviets have started to use the developments for their own and different purposes.

The Secretary noted that, as the Yugoslavs are aware, we have sought for seven or eight years an agreed solution of this problem. Meanwhile, US and UK forces have remained indefinitely responsible for the discharge of functions which were intended to be temporary and which we are not prepared to continue. As a result of discussions with the Yugoslav and Italian Governments, we concluded that the only solution to be adopted was a *de facto* solution—Zone A to Italy and Zone B to Yugoslavia. This is not ideal, but it brings this problem to a conclusion so that we can go forward. If the Italians do not own Zone A, so far at least Zone B does not belong to

the Yugoslavs. It is not right that we remain in Trieste forever. We have rights which we have exercised, and we see no damage therefrom to Yugoslavia. The Secretary expressed confidence, in all seriousness and solemnity, that as the Yugoslav Government thinks over the matter it will conclude that this is a sound solution. Yesterday the Yugoslavs expressed concern that the Italians would go beyond Zone A. We do not believe that they have such ambitions and we would take affirmative measures with the Yugoslavs to counter such ambitions if they exist. As far as we are concerned, this is the end of such ambitions, subject only to minor mutually agreeable adjustments.

The Foreign Minister asked the Secretary to permit him to reply frankly. The Yugoslavs recognized that the US motives may have been as set forth but it is hard for them to accept the motivation as justification for the decision either as to its substance or its form. He agreed that US troops should not have to stay indefinitely in Trieste, but he also could say that the US did not have the right to take decisions affecting the rights of the Yugoslav Government and the Yugoslav people for the purpose of removing US troops. Concerning US exercising efforts to counter further Italian ambitions, is it possible for the Yugoslavs to consider that sufficient? This decision, if implemented, already effectively settles the main part of the issue we are discussing in favor of Italy. To direct the conversation toward a way out of the situation we are in, the Foreign Minister said he would like to refer to the Yugoslav proposal for a four-power meeting.

The Secretary said that he could not reply concerning the four-power proposal today because of the necessity for coordination with the UK. In response to a further question from the Foreign Minister as to whether the issue of a four-power conference should be decided urgently, in view particularly of the note now received from the Soviet Government,[2] the Secretary agreed on the urgency, but added that it could be better dealt with if the Yugoslavs dropped their talk of the use of force and violence, which is out of keeping with relations between our two governments. As I understand it, he continued, Tito says that as soon as any Italian sets foot in Zone A, the Yugoslavs will march in. At that point there will still be British and US troops there. The Secretary said that he was not necessarily asking the Foreign Minister to reply, that the latter could if he wanted to, but also, if he should so wish, his ques-

[2]Reference is to the Soviet note delivered to the Embassy in Moscow the afternoon of Oct. 12, the text of which was transmitted to the Department of State in telegram 461 from Moscow, Oct. 12. The note contained the Soviet Government's protest that the U.S.-U.K. decision on Oct. 8 constituted a violation of the Italian Peace Treaty. (750G.00/10–1253)

tion could be treated as a rhetorical one, carrying its own answer. The remarks made by Tito indicate a forceful intent.

Foreign Minister Popovic replied that he could answer the question with full responsibility. He said he thought it would be incorrect on the part of his government to make statements which could be interpreted as bluff. The Yugoslav Government has stated that it will react "by corresponding means against an action which, if it comes about, could be characterized only as the forcible introduction of Italian troops into Zone A". If that should happen, it would be unfortunate as American troops would act as a shield for such introduction. Precisely to avoid such consequences, which would be unavoidable if the decision is implemented, the Foreign Minister requested urgent consideration of their four-power conference proposal.

The Secretary said he would carefully consider the suggestion and added, in response to a further question as to whether in the Secretary's personal view the suggestion appeared appropriate to the interest and prestige of various countries involved, that he had made it clear he would have to consult the UK and he could not express a personal view.

Yugoslav Ambassador Popovic interjected at this point to inquire whether, in view of the Soviet action in raising the matter in the Security Council, on which discussions could take place within 48 hours, it could be stated in the SC that conversations between the US, UK and Yugoslavs had already begun.

The Secretary declined to answer except to reiterate that he would consider the proposal as a matter of urgency and let the Foreign Minister know. He inquired whether the Foreign Minister had thought of returning to Belgrade to report to his government on these conversations or whether he would stay in New York. The latter replied that he expected to stay in New York in view of the Security Council development.

The Secretary expressed the hope that he could make it very clear to Marshal Tito that we cannot take a very favorable view of the threat to use force in areas outside Yugoslav territory. The Foreign Minister said that he would fully convey everything that has been said and particularly the foregoing remark, but he would like to comment that while the territory is not Yugoslav, it is not Italian, and to express, in the interest of calming the situation, regret that he had only received a reserved response in respect to the four-power conference.

The Secretary concluded that the Yugoslavs will have seen the announcement that he is flying to London tomorrow, that he will

confer with Mr. Eden on Friday[3] in connection with the foregoing, and that in the circumstances we might postpone expression of our views in the Security Council by obtaining a recess for a few days following the presumed Soviet presentation on Thursday.

[3]Oct. 16. Regarding the meeting in London, Oct. 16–18, see Document 137.

No. 133

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 166th Meeting of the National Security Council, Washington, October 13, 1953[1]

TOP SECRET EYES ONLY

Present at the 166th meeting of the Council were: The President of the United States, presiding; the Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General (for Item 3); the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (for Item 3); the Secretaries of the Navy and the Air Force (for Item 3); the Deputy Secretary of Defense, Assistant Secretary of Defense McNeil, and Francis J. McCarthy, of the Atomic Energy Commission (for Item 3); the Chairman, Joint Chiefs of Staff; General Ridgway, Admiral Carney, General Twining, and Lt. Gen. Thomas, USMC (for Item 3); the Director of Central Intelligence; the Assistant to the President (for Item 3); the Deputy Assistant to the President; Robert Cutler, Special Assistant to the President; James C. Hagerty, Secretary to the President (for Item 3); Brig. Gen. Paul T. Carroll, Acting White House Staff Secretary; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the chief points taken.

[Here follows discussion of a subject unrelated to Trieste.]

2. Significant World Developments Affecting U. S. Security

The Director of Central Intelligence first discussed the situation with respect to Trieste, and pointed out that the great danger does not appear to arise from the likelihood that Tito will move Yugoslav armed forces into Zone A, but rather that there will be local

[1]Presumably prepared by Gleason on Oct. 14.

incidents by his more headstrong supporters. The climate in Trieste at the moment was very changeable and drafty.

The President interrupted to inquire whether it was not the Serbs who had been historically the firebrands of this area, but Mr. Dulles pointed out that the Croatians and the Slovenes were the more volatile people, while the Serbs were the better and the more stubborn fighters. Mr. Dulles went on to say that the Soviet note with respect to the Anglo-American action had reached Washington last night.[2] There was no specific mention of Yugoslavia. The note merely called attention to the alleged violation of the Italian peace treaty and of the alleged desire of the West to make Trieste a base for aggression. Mr. Dulles stated that time had not permitted as yet a coordinated estimate of what was likely to happen in Trieste. CIA by itself, however, had come to the preliminary view that Tito would not risk a clash as long as U. S. and U. K. forces remained in Zone A.

[Here follows discussion of matters unrelated to Trieste.]

S. EVERETT GLEASON

[2]Regarding the Soviet note, see footnote 2, *supra*.

No. 134

Editorial Note

The Yugoslav Government response to the October 8 announcement by the United Kingdom and the United States led to discussions within the United States Government regarding the possibility of delaying the shipment to Yugoslavia of United States military equipment.

On October 12, Chargé d'Affaires Woodruff Wallner reported that, in light of the violent Yugoslav response to the October 8 announcement, he had asked United States military authorities in Belgrade to postpone the departure from Germany of three military aircraft to be sent to Belgrade. He had also requested that the formal transfer to Yugoslavia of three jet training planes, which had already arrived, be delayed. (Telegram 465 from Belgrade, October 12; 768.5 MSP/10-1253) On the next day, however, Wallner informed the Department of State that after further consideration, he and the United States military authorities believed there was no need to detain the military aircraft in Germany and, in general, military aid shipments to Yugoslavia should continue unless and until an overall policy decision to the contrary was taken. (Telegram 471 from Belgrade, October 13; 768.5 MSP/10-1353)

The Department of State apparently disregarded or did not understand this second message, for it notified Wallner on October 13 that it approved his action, as reported in telegrams 465 and 471, "requesting postponement delivery aircraft to Yugoslavia, and is requesting Defense take necessary action delay all military deliveries to Yugoslavia for time being." (Telegram 422 to Belgrade, October 13; 768.5 MSP/10–1353) In a letter to Assistant Secretary of Defense Frank Nash on October 13, Assistant Secretary of State Livingston Merchant requested, on the authority of the Secretary of State, that "steps be taken immediately by the Department of Defense without ostentation or any publicity to delay the delivery of any shipments of military end items or equipment destined for Yugoslavia and now en route to that country." Merchant noted further, "In light of the present impasse, I am sure you fully understand the reasons for this request and likewise for the importance that there be no public disclosure that the request has been made or that action has been taken on it." (768.5 MSP/10–1353)

No. 135

750G.00/10–1453

Memorandum of Conversation, by the Director of the Office of Western European Affairs (Byington)

TOP SECRET [WASHINGTON,] October 14, 1953.

Subject: Trieste

Participants: Ambassador Tarchiani, Italian Embassy
The Secretary
The Under-Secretary
Mr. L. T. Merchant, EUR
Mr. H. M. Byington, Jr., WE

The Ambassador said that he wished to leave with the Secretary a brief statement of the Italian Government's position regarding the recent developments over Trieste (statement attached[1]). The Secretary read the statement and spoke with the Ambassador along the following lines:

Our Government had been greatly concerned over the situation which had arisen between Italy and Yugoslavia with regard to Trieste and attached the utmost importance to achieving a final solution. We had envisaged that the decision which we had announced on October 8 would provide an acceptable foundation for a basic di-

[1]Not printed.

vision between Zone A and Zone B which could in the future be adjusted by agreement between Italy and Yugoslavia to include an exchange of areas in either zone according to the desires of both Governments.

The Secretary emphasized the difficulties we were now going through with our Yugoslav friends. He believed these difficulties had not been helped by the excessive welcome with which our announcement had been greeted in Italy. We wanted the Italians to like it but had hoped they would exercise restraint and moderation in the public statements of their officials. The Secretary told the Ambassador of his conversations yesterday and the day before with the Yugoslav Foreign Minister who had come down from New York to see him.[2] He said it was most important that the Italian Government should not under-estimate the seriousness of the Yugoslav reaction to what had occurred. He said that yesterday in his discussion with the Yugoslav Foreign Minister reference had been made to the statement of Marshal Tito that if a single Italian soldier should enter Zone A, Yugoslav troops would enter Zone A at the same time from Zone B. The Secretary took occasion to point out to the Yugoslav Foreign Minister that during the course of the transfer of authority there would necessarily be Italian troops in Zone A as well as British and American troops. The Yugoslav Foreign Minister had officially reaffirmed in behalf of his Government the statement of Marshal Tito and had emphasized that the Yugoslav Government was not bluffing. Ambassador Tarchiani would understand, therefore, the very great need that at this juncture the Italian Government should make every effort to allay tension. We do not intend to be deterred by threats of this sort but we must not assume that this threat is purely a verbal one which we can control. The Secretary referred to the type of Government in Yugoslavia, its emotion and fanaticism and its adherence to the principles of Communism although a different Communism from that of the Kremlin but nevertheless based on belief in the use of force to achieve its objectives. He mentioned the parallel between Syngman Rhee and Marshal Tito and that just because an action of the type indicated seemed reckless it would be foolish to be positive that Tito would not do it. We must realize that the restraints from the use of force inherent in a Christian Society are not present in the Yugoslav regime. He repeated again his request that the Italian Government at this point exercise restraint. In this connection he mentioned, for instance, the provocative speeches which Mayor Bartoli of Trieste which made it appear that the Italians were fully intending now to use Zone A as a point of departure for the acqui-

[2]For memoranda of these discussions, see Documents 131 and 132.

sition of Zone B. The Italian Ambassador said that he could give the greatest assurance on the part of his government that it would do everything in its power to keep calm in this situation. He said that no utterance of the Government had been provocative, there had been no demonstrations, no flags, no disorders in front of the Yugoslav Embassy in Rome, nor had there been a single Slovene hurt in Zone A. In fact, the Italian Government, far from indicating in any way that it would try to get Zone B by force, on the contrary merely reiterated its preference for a plebiscite.

The Secretary said that only this morning he had discussed this question with the President[3] who also, as the Ambassador knew, felt a great affection for Italy and knew personally Prime Minister Pella. It was the hope of the President, as well as General Smith and the Secretary, that the Italian Government would exercise moderation. The Ambassador said that he was very glad to have this information, that he would communicate at once with his Government and that he was confident that Pella would act in accordance with our wishes in the speech he would have to make Friday[4] before the Senate. He pointed out that Mayor Bartoli was under the Trieste administration but that his Government would endeavor to persuade the Mayor not to make any more foolish speeches which might threaten to ruin all that we were trying to do.

The Ambassador then said that there was one phase of what the Secretary had said that seemed to him of the greatest importance. He said that this menace of Tito was an act of international criminality and he did not believe that the United States and the United Kingdom could remain under such a menace. If that were the case it would mean that a bandit, even a small bandit, could prevent the settlement of a most urgent international problem.

He referred to the fact that the city of Trieste had never been a part of the Yugoslav system. They had never lost 600,000 men defending it, a fact which they were inclined to overlook. The Secretary intervened by saying that the Ambassador was getting excited which was exactly what he was asking him not to do. The Ambassador laughed and said that what he wanted to say was if we went back on our declaration of October 8 that action in Italy would be

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[3]In his memoirs, President Eisenhower recalls the following incident:

"When Foster Dulles informed me on October 14 of the Yugoslav threat, I was surprised but determined to be prepared to deal with any foolhardy movement on Tito's part. A check with the Joint Chiefs of Staff indicated that it would take thirty-six to forty-eight hours to move important elements of the Sixth Fleet into the upper Adriatic. Warships were sent without delay." (*Mandate for Change*, p. 414.)

No record of this incident has been found in Department of State files or at the Eisenhower Library.

[4]Oct. 16.

disastrous. There would be demonstrations in Rome instead of in Yugoslavia and no Italian would be able to understand our action. He went on to say that Italy had always been willing to negotiate with Yugoslavia and had even come so far as to offer the railroad and port in the city of Trieste itself. It had agreed to a line which we had drawn last March with the exception of a slight addition. Now it would be the full intention of the Italian Government to sit down with Yugoslavia and see what could be worked out along the lines that the Secretary had indicated. The Ambassador again attempted to draw the Secretary out on what our attitude was now in the face of the Yugoslav threat. He was seeking assurance what we would do. The conversation, however, returned to the question of the need for restraint, and the Ambassador repeated that he would inform his Government at once of what the Secretary had told him.[5]

[5]Later that day, Minister Mario Luciolli came to the Department of State, under instructions of Ambassador Tarchiani, to seek a clarification of the remarks Secretary Dulles had earlier made to Tarchiani. Luciolli asked Merchant whether he could assure him that the United States intended to implement the Oct. 8 decision. When Merchant demurred, Luciolli asked whether that meant the United States was thinking of backing down "in the face of the Yugoslav threat." Merchant replied that it was up to Tarchiani to make his own interpretation of the Secretary's remarks, but that Tarchiani would certainly be aware that the Secretary had made no such inference. The two men also discussed the Secretary's request that the Italian Government exercise restraint. (Memorandum of conversation, Oct. 14; 750G.00/10-1453)

No. 136

750G.00/10-1453

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Secretary of State[1]

SECRET [WASHINGTON,] October 14, 1953.

Subject: Trieste

[1]Attached to a memorandum from Merchant to the Executive Secretariat, Oct. 14, in which Merchant explained that the copy of his memorandum to the Secretary was for the information of Under Secretary Smith and for the Executive Secretariat's files. He said that he had given the memorandum to Dulles that morning and the Secretary had retained it for his briefing file for the London talks. Merchant also said that paragraph IV had been amended slightly after discussion with McCardle. According to Merchant, he had also discussed the memorandum with Murphy, who had approved its contents an hour or so after he had given it to the Secretary. Also attached was a brief memorandum from Kitchen to Smith, Oct. 16, summarizing the contents of Merchant's memorandum to the Secretary.

As a point of departure in your discussions of Trieste with Eden, I suggest that you inform him:

I. That you consider it vital that the U.K. and U.S. maintain a solid front and betray no evidence of weakening on the position taken in the October 8 joint communiqué.

II. That you have taken steps administratively to delay the delivery of any military assistance items until the situation clears up.

III. That the economic aid program is proceeding without interruption, although notification to the Yugoslavs of the amount of the fiscal '54 allocation ($30 million plus an additional $15 million for wheat) has been postponed in the light of current developments.

IV. That you have authorized the USIS establishments in Belgrade to be closed temporarily at discretion of Wallner unless public order is restored.

V. That you are hopeful that the firm line taken by Mr. Eden with the Yugoslav Ambassador and that taken by you in your two sessions with the Yugoslav Foreign Minister[2] will have a sobering effect on Tito.

VI. That you called in the Italian Ambassador to Washington before you left and informed him forcefully that Pella was overplaying his hand to his own as well as our common jeopardy.[3]

VII. That in concert with his representatives at the UN, your instructions are that, after hearing Vishinsky speak, we seek to recess the Security Council for a few days before making a statement on the US-UK position in the matter.[4]

I suggest that you examine the following possible courses of action with Eden:

I. Requesting the French to talk firmly to the Italians.

II. Requesting the Greeks and Turks to seek to moderate Tito.

III. Dispatching some high level American or British official or officer to talk turkey with Tito.

IV. The feasibility of a Four Power meeting as suggested by Tito. I think this has real dangers since it would place the UK and the US directly and publicly in a cross-fire. I agree that it is wise to keep open as a possibility at least until you have the opportunity to see whether the British have any strong views on the subject. I believe it might also be desirable to keep the matter open until the visit to Tito of a high-level American or British official takes place, as suggested in the foregoing paragraph, if such a visit is decided

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[2]For the memoranda of Dulles' conversations with Koča Popović on Oct. 12 and 13 see Documents 131 and 132.

[3]A memorandum of Dulles' conversation with Tarchiani on Oct. 14 is printed *supra*.

[4]On Oct. 15, the U.N. Security Council placed the Trieste issue on the agenda for its meeting on Oct. 20. For text of the statement regarding Trieste on Oct. 15 by the U.S. Representative to the United Nations, Henry Cabot Lodge, Jr., see Department of State *Bulletin*, Nov. 2, 1953, p. 609. When the issue was discussed on Oct. 20, the United States and the United Kingdom asked for a postponement of discussion. For the statement made by the Deputy U.S. Representative at this time, James J. Wadsworth, see *ibid.*, Nov. 2, 1953, p. 610.

on. If desirable, the British or American visitor might convey our objection to Tito.

I urge that you resist strongly any British suggestion publicly to repudiate the March 20 Declaration or to make a public statement stronger than the communiqué concerning the definiteness of the zonal solution. Repudiation would in all probability wipe out Pella and it might not be sufficient to accomplish our purposes with Tito.

I believe we will work out this situation by proceeding according to plan and offering Tito no appearance of weakening. He is further out on the limb than he should be or in fact than we had expected. I think annexation of Zone B is the method by which he can retreat without serious loss of face. The trick is to encourage him to take this step in the fore-knowledge that we will not protest it but avoid at the same time placing ourselves in the position where he could say that we had invited him to do so. The latter, I believe, would destroy Pella's position. I am becoming increasingly persuaded that Tito was genuinely shocked by the abruptness of our action and is genuinely fearful of Italian further expansion and that we will not remain sufficiently steadfast in opposition thereto. Hence the importance I attach to the possible desirability of sending a personal emissary to him. Bob Murphy, who knew him during the war, occurs to me as a possibility though there are obviously advantages in sending a Britisher in view of the care they have taken to build up their relations with him and the general knowledge that they are not overly sympathetic with the Italians.

No. 137

Editorial Note

From October 16 to 18, Secretary Dulles was in London for talks with British Foreign Secretary Eden and French Foreign Minister Bidault on a variety of matters of common interest. The three men discussed the Trieste issue at meetings held on October 16 and 18. At the latter meeting, Dulles accepted Eden's suggestion that, in view of the unlikelihood that Italy and Yugoslavia would agree to a proposal for a five-power conference, the United States should send representatives from the Departments of State and Defense to London to consider urgently with the British Joint Chiefs of Staff possible arrangements for turning over civil administration of Zone A to Italy while maintaining United States-United Kingdom troops there, that this group should work in liaison with a United States-United Kingdom-French group in London which would be responsible for considering the political aspects of the Trieste issue, and

that when the Trieste question came up for discussion at the United Nations on October 20, the three powers would press for postponement for at least a week. Dulles and Eden also discussed Trieste at a luncheon with Prime Minister Churchill on October 18, at which time Dulles emphasized the need for everyone concerned to consider the broader, strategic implications of the Trieste question. For documentation on these discussions, see volume VII, Part 1, pages 687 ff.

No. 138

PPS files, lot 64 D 563, "Trieste"

The Secretary of Defense (Wilson) to the Secretary of State

TOP SECRET WASHINGTON, October 20, 1953.

DEAR MR. SECRETARY: I am sure you are aware of the urgent necessity for arriving at a coordinated U.S.-U.K. decision as to the date of termination of the military occupation of Trieste. In the attached memorandum, the Joint Chiefs of Staff point out some of the factors affecting an orderly withdrawal of our forces, and urge that the occupation be continued beyond the presently planned date of 1 December 1953.

Since the channel of communication to the Allied Commander is through the U.S. Chiefs of Staff and in view of General Winterton's request to be informed of any change in the target date prior to 5 November, I suggest that we now inform him that the withdrawal, while still under consideration, will not in any event take place this year.

Sincerely yours,

C.E. WILSON

[Attachment]

Memorandum by the Chairman of the Joint Chiefs of Staff (Radford) to the Secretary of Defense (Wilson)

TOP SECRET WASHINGTON, 16 October 1953.

Subject: Redeployment of United States Forces in Trieste

1. By memorandum, dated 16 September 1953, subject: "Redeployment of TRUST Forces,"[1] you authorized the Joint Chiefs of

[1]Not found in Department of State files.

Staff to inform the Commander in Chief, United States European Command, that his proposal to redeploy Trieste United States Troops to United States Forces Austria had been approved for planning purposes. This authorization was given subject to qualification interposed by the Department of State that implementation of these plans would take into account the difficult housing problem in the United States Zone of Austria and would not adversely affect the housing for civilians in that country. The Commander in Chief, United States European Command, was so informed.

2. In light of the announcement by the United States and British Governments to turn over administration of Zone A, Trieste, to the Italian Government, it will be necessary to redeploy Trieste United States Troops in the immediate future. The Commander in Chief, United States European Command has now requested final approval to redeploy these forces to the United States Zone of Austria. The Supreme Allied Commander Europe agrees with the recommendations of the Commander in Chief, United States European Command and, in addition, recommends that for tactical reasons these forces should be redeployed to the Villach Area of Austria in the British Zone as soon as politically feasible.

3. The Joint Chiefs of Staff agree with the recommendations of the Commander in Chief, United States European Command and of the Supreme Allied Commander Europe and are of the opinion that your approval of the movement of this force to the United States Zone of Austria is a matter of urgency since it is imperative that movement of dependents and stores be accomplished immediately.

4. Accordingly, the Joint Chiefs of Staff recommend that, with the concurrence of the Department of State, you approve the attached cable for dispatch by the Joint Chiefs of Staff.[2]

For the Joint Chiefs of Staff:
ARTHUR RADFORD

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[2]Not printed; the attached draft cable to the Commander in Chief, U.S. European Command, simply noted that he was authorized to take action as necessary to implement the planning approved by the JCS on Oct. 8.

No. 139

Italian Desk files, lot 58D 357, "TRUST Forces—Trieste & Austria"

Memorandum of Telephone Conversation Between the Assistant Secretary of State for European Affairs (Merchant) and Captain George Anderson of the Office of the Chairman of the Joint Chiefs of Staff

[WASHINGTON,] October 21, 1953.

Mr. Merchant: George, on one of our favorite subjects involving turnover, our boss, in light of the general discussions he had over the weekend with some friends, is pretty well persuaded that the only way this can be worked out is to turn over the civil responsibility before the other half of it, so to speak. He is aware, of course, of how the fellow on the spot thinks and the general view with you people and he thinks that a decision has to be made at a top level to see whether or not the political desirability of moving in that one-two stage method warrants the acceptance of what may be some risk from your people's point of view. He has asked to have a meeting with the top boss at 12:15 tomorrow which would come at the end of the regular meeting over there.

Captain Anderson: And Mr. W. would be there.

Mr. Merchant: He just wanted your boss and Mr. W. to know that he had asked for them and him to meet with the big boss to put this problem and let him hear the statement from your people of the difficulties and risks to be involved.

Captain Anderson: Has he informed Mr. W.?

Mr. Merchant: No, he hasn't. I tried to get Frank Nash and couldn't. I am calling you to forewarn your boss.

Captain Anderson: Thank you very, very much. In other words, he feels that the political considerations are overriding in this particular situation but wants to present them higher up in conjunction with Mr. W. and my boss.

Mr. Merchant: Exactly. That is his view. But he hasn't heard in detail the reasons that are controlling to your boss.

Captain Anderson: As a matter of principle has anything of this nature ever been done before with either the United States' or our country cousins' forces? I was trying to think if there were any precedent.

Mr. Merchant: There is a semi-precedent it seems to me provided for in the contractuals.[1] Of course legally they are not in effect

[1]Reference is to the German Contractual Agreement signed on May 26, 1952; see vol. VII, Part 1, pp. 111 ff.

though in practice your people over there have so to speak turned over for practical purposes civil authority and have got reserve powers. There is a rough analogy there.

Captain Anderson: I was talking to Page Smith the other day and I said what happens if there are not military forces there on either side. In other words, just civil authority.

Mr. Merchant: I think it would be impossible to get the fellow on the other side to pull out.

Captain Anderson: That is just a thought. I will certainly advise the Admiral to be waiting word for that particular meeting.

Mr. Merchant: If you would. I gather it was left that the meeting will go on there tomorrow morning anyway and can be broken off at 12:15 in order for the limited group to take up this particular problem. My boss feels that before any experts meet with our cousins that there must be a decision on this point.

No. 140

750G.00/10-2253

Memorandum of Conversation, by the Director of the Office of Western European Affairs (Byington)

TOP SECRET [WASHINGTON,] October 22, 1953.

Subject: Trieste

Participants: The President
The Secretary of State
The Secretary of Defense
Admiral Radford
Mr. Cutler
Mr. Merchant, EUR
Mr. Byington, WE

The Secretary outlined for the President the present situation with regard to Trieste. He reviewed the action taken up to date including the change in plans suggested by Mr. Eden whereby the announcement of the decision was made within a few hours after the conference with Marshal Tito and Prime Minister Pella. He also pointed out that, according to Mr. Eden, Marshal Tito, a year ago, had indicated quite definitely a willingness to accept a solution along Zone A–Zone B lines. The Secretary then described the steps we now envisaged for the purpose of bringing both Italy and Yugoslavia to a conference table despite the fact that Italy said they would not come unless the October 8 decision were imple-

mented in advance and Yugoslavia said that they would not come if the October 8 decision were implemented.[1]

The Secretary mentioned the reluctance on the part of the military authorities to that feature of our plan which envisaged the transfer of civil administration in Zone A to Italy prior to the entry of Italian troops during the period when US and UK troops would still be in the Zone. He said he could understand this concern which was based on the possibility of disturbances within the Zone and that he understood Admiral Radford would speak about this. He said he would listen to what the Admiral had to say with an open mind but that he wished to point out his primary view that the political considerations left us little in the way of an alternative other than to ask the military to assume this increased risk in order to carry out a political solution of the problem.

The President said that he could envisage a situation whereby the Italians might purposely permit incidents in Zone A while the US and UK troops were still there in order to push the issue to a crisis and provide an excuse for bringing in Italian troops as well as facing up to the Yugoslavs while Anglo-American troops were still in the Zone. The President said that he thought there ought to be some residual authority which would allow the Zone Commander to reassume authority and be able to declare martial law in the event of such a development. He did not see why we could not still work out an arrangement of the kind we contemplated while retaining a safeguard of this kind. We should find some way to ensure that the Italians would exercise restraint.

Secretary Wilson said that he understood Marshal Tito would not come to a conference if the Allies took any steps toward turning over even the civil authority in Zone A to the Italians regardless of the question whether Italian troops were permitted to enter the Zone. The Secretary of State referred to his conversation the previous day with the Yugoslav Ambassador[2] pointing out that the

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[1]Attached to the source text was an undated memorandum for the President regarding Trieste, which bears the handwritten notation by O'Connor, "Sec saw. RLO'C". This memorandum, which presumably furnished the basis for Dulles' briefing of Eisenhower at the meeting, described the plans for setting up a five-power conference on Trieste. In the memorandum, Dulles requested Eisenhower's authorization to negotiate first with the British and the French in an effort to arrange the conference and to turn over the civil administration of Zone A to Italy. Attached to this memorandum were tentative draft instructions to be sent to Belgrade and Rome regarding soundings to be made by the Western representatives in those cities to the respective host governments. There is no indication on the source text either that Dulles gave the memorandum to Eisenhower or that Eisenhower authorized him to proceed as requested.

[2]A memorandum of the conversation between Dulles and Ambassador Popović on Oct. 21 is in file 750G.00/10-2153.

October 8 decision represented the bare bones of a solution and a great deal depended upon how the figure was carved out and what appearance it might finally take. He thought the question of the protection of minorities and a free port and such matters which could come out of a conference as well as any territorial modifications that could be mutually agreed upon could lead to a situation which the Yugoslavs might be able to accept.

The President described the importance of a solution in terms of the European political and military situation. He said that this area in Southern Europe represents our weak flank, that any defense of Italy itself was made extremely difficult by the nature of the terrain with its broad shallow rivers and flat land, and that to make a defense that made sense one had to go the Ljubljana gap. It was this European situation and the defense problem that caused us to make this desperate effort to get these two countries on the same side of the fence. Our only hope getting them together rested on a solution of this Trieste problem.

Admiral Radford said that the military concern was not so much the element of risk involved for the troops. Risks of this kind often had to be taken and were taken. It was a question of what would happen if an incident took place, who would take charge and how could we avoid the Italians from creating an incident. The Secretary said that the British had proposed a meeting in London of representatives of their and our Defense Departments, the State Department and the Foreign Office, as well as officers representing General Winterton. It would be the task of this meeting to come up with definite recommendations as to how this problem could be resolved. In reply to an inquiry from Secretary Wilson the Secretary agreed that if the question were not resolved or if Tito turned down a conference it would be necessary to submit the matter again to the President.

After the meeting it was agreed between the Secretary of State, the Secretary of Defense and Admiral Radford that a small group would go to London immediately to commence the military discussions with the British[3] and that in the meanwhile the Department of State would begin preliminary discussion with the British and French of our plan for a five-power conference, subject to the determination in London whether a formula could be defined for the turnover of civil administration in Zone A to Italy.[4]

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[3]These discussions took place in London, Oct. 26–28. For the report of the United States–United Kingdom Working Party, see Document 145.

[4]Preliminary discussions with representatives of the British and French Embassies regarding the five-power conference on Trieste began at the Department of State on Oct. 22. A memorandum of conversation at this meeting, as well as memoranda covering numerous subsequent meetings of this group on this question, are in file 750G.00.

No. 141

740G.00/10-2053

The Secretary of State to the Secretary of Defense (Wilson)[1]

TOP SECRET [WASHINGTON,] October 24, 1953.

DEAR MR. SECRETARY: Various questions regarding redeployment of U.S. forces from Trieste to Austria have been brought to my attention. These questions were contained in a memorandum of October 16 from Admiral Radford to you,[2] a copy of which was informally made available during discussions between representatives of our two Departments with a request for the Department's concurrence.

I recognize the urgent need to move military dependents from Trieste, but there are serious, political difficulties involved in their movement to Austria. Such a transfer now would, I am convinced, provide the Soviets with valuable propaganda material at a time when we are awaiting their reply to our renewed invitation to discuss an Austrian treaty at Lugano.[3] In addition, the housing problem and its impact on politics in Austria are such that even should you decide to transfer the TRUST forces to Austria, I would strongly recommend against the transfer of dependents.

As to the redeployment of the TRUST forces themselves, I would see no objection in principle to their transfer to Austria, although if this were decided, I would appreciate the opportunity of first requesting our Ambassador to Vienna to inform the Austrian Government of the plan in advance of its execution. Should the Austrian official reaction be strongly adverse, I should then like the opportunity to reconsider the matter with you before the final decision is made.

Serious if not insurmountable political difficulties can be expected if, at a later date, you recommend a further redeployment from the United States Zone to the British Zone. I prefer, however, to postpone consideration of that course of action.

Turning to another but related subject, your letter of October 20[4] raises the question of the timing of termination of the military occupation of Trieste. While I see no reason to delay the present plans for evacuating dependents and certain stores, I concur with the view of the JCS that the target for withdrawal of our forces

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[1]Drafted by Byington.

[2]Radford's memorandum of Oct. 16 to Secretary Wilson is attached to Document 138.

[3]Regarding this proposal to discuss an Austrian treaty at Lugano, Switzerland, see vol. VII, Part 1, p. 630.

[4]Document 138.

should be postponed to January 1, 1954, as a tentative date. It may prove impossible to set a final date until after a five-power conference on Trieste has taken place.

A somewhat related matter is raised in my letter of October 3, 1953[5] regarding proposed military discussions with the British and French concerning the implications of their plans for withdrawing their garrisons in Austria. I believe it would be helpful in establishing an early date for such talks if you could inform me of the exact channel in which you would prefer them to be held.

Sincerely yours,

JOHN FOSTER DULLES

[5]For text, see vol. VII, Part 2, p. 1904.

No. 142

750G.00/10-2653

Memorandum by the Deputy Assistant Secretary of State for United Nations Affairs (Sandifer) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] October 26, 1953.

Subject: Observations Regarding Possible United Nations Action on Trieste

In a communication to the Department dated October 25, 1953, the British Embassy apprised us of Mr. Anthony Eden's suggestion of a United Nations Commission of Inquiry, with authority to make recommendations regarding a solution of the Trieste problem.[2]

In recent years the subject of Trieste has been handled outside the United Nations, rather than in it; and we have for various reasons allowed the solution envisaged in the Italian Peace Treaty of the Free Territory of Trieste to fall into abeyance. Mr. Eden's suggestion, therefore, involves a radical shift in policy, bringing the subject back into the United Nations. It seems to us in UNA that

[1]Drafted by David H. Popper of UNA. A copy was sent to Merchant.

[2]The document under reference was attached to a memorandum of Oct. 26 from Merchant to Dulles, in which Merchant summarized the communication from the British Embassy and gave his opinion that it would be better to proceed with the plans to arrange a five-power conference rather than refer the matter to the United Nations. (750G.00/10-2653) In telegram 2260 to London, Oct. 27, the Department reported that Secretary Dulles informed British Ambassador Makins the previous day that there was still a reasonable chance of setting up a conference and every avenue toward this end should be explored. Seeking a U.N. solution, he said, was an undesirable alternative to be used only as a last resort "to save our own faces were we to admit defeat." (750G.00/10-2753)

the following observations should be borne in mind before a decision is made to take such a step.

1. The October 8 declaration represented a conscious decision to settle the Trieste question by direct action through *fait accompli*. If we undertake UN action of the kind sought by Mr. Eden, we must realize that this is not consistent with such unilateral action and that the future of Trieste will have to be discussed in the UN for months or years to come.

2. This means re-opening the entire Trieste question. The ultimate outcome may be something quite different from the solution envisaged in the October 8 declaration. A UN body would be very likely to take up the question of resettlement of minorities and redrawing the boundary between Zone A and Zone B. It might also recommend UN supervision of some sort in the territory for a transitional period.

3. Before we begin UN action looking toward a Trieste settlement, it is essential to have Italian approval or at least acquiescence. Otherwise the Italians, with their influence over the Latin Americans, can seriously hamper any efforts we make in the UN.

4. Assuming we can get Italian acquiescence to UN action looking toward a final settlement, we might try with reasonable success to have the POC sub-commission or some other UN body work out recommendations on the future of Trieste.

5. However, regardless of the views of the parties, we can establish a Peace Observation Commission sub-committee to exercise observation functions in and around Trieste. This might get us out of the difficulty created by the Italian proposal for troop withdrawal. It could be done quickly and would have no direct bearing on a final settlement of the Trieste problem.

Before his departure, Mr. Murphy asked that these observations be communicated to you.[3]

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[3]In a memorandum of Oct. 28 to Merchant, Secretary Dulles said that he had seen the UNA memorandum commenting on the possibility of bringing the Trieste matter to the United Nations. The Secretary noted that he disapproved of this course of action, but he said it was "barely possible that there would be merit in suggesting a peace observation commission in Trieste which would report on the use of force in violation of Article 2." Dulles stated his assumption that the Soviet Union would veto such a proposal in the Security Council unless it were a member of the commission, which was something the United States could not permit. Dulles said, however, that the proposal could probably be put through the General Assembly without delay. (750G.00/10-2853)

On Nov. 4, when the Trieste issued was to be discussed again in the Security Council, the United States, the United Kingdom, and France supported a motion by Colombia to postpone debate on the issue again. Only the Soviet Union voted against this motion.

No. 143

Luce files, lot 64 F 26, "Correspondence & Miscellaneous 1953"

The Ambassador in Italy (Luce) to the Secretary of State

SECRET EYES ONLY [ROME,] October 27, 1953.

DEAR FOSTER: For your information, and for the record, may I respectfully call your attention to the following extraordinary situation.

This morning, Mr. Williamson, my Acting Minister Counselor, told me that Mr. Ross, Minister of the British Embassy had called on him to ask our reactions to the new Tripartite proposals for a solution to the Trieste impasse, the text of which his Ambassador, Sir Victor Mallet, had received on October 23, from the Foreign Office in London, with their full comments and the request for his.

Mr. Williamson was forced to reply that while we were well aware that proposals were being studied, we had as yet received no information about their substance from our own government. The British Minister expressed—naturally enough—considerable surprise, in view of the fact (he said) that you had originated these proposals on October 22nd in Washington,[1] and that the UK Embassy there had at once forwarded them to the Foreign Office, which in turn had informed all their interested embassies.

This afternoon an Italian official of the Foreign Office called on me, and also inquired my views on the Tripartite proposals. I countered by asking him Pella's views. He replied that while the Italian Government did not know the actual details of the proposals, they had received sufficient information via their Embassy in Washington to prepare a position paper on which "they had already been working night and day for 3 days," and that Signor Del Balzo had taken the paper to Paris the night before so it might be presented at the conference with Byington.[2] He said that the general substance of the proposals was in fact common knowledge to French, British and Italian diplomats in the 5 capitals; that 2 days ago Sir Victor Mallet had told him "on the golf links" that the proposals "were on the way"; and that the French Ambassador here had already called at the Italian Foreign Office several times to take soundings on the Italian reaction to them. He "wondered why no officials of the American Embassy had been around" in view of British and French activity.

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[1]See Document 140.

[2]Byington was in London as the head of the U.S. Delegation meeting with the British to discuss the possibility of turning over the administration of Zone A to Italy. For the report of this Working Party, see Document 145.

In the absence of any direct information from State, I can comment only on the outline of the proposal given verbally to Mr. Williamson by the British Minister: it is a proposal that should not be made because it will not be accepted either by Mr. Pella or Tito. The essence of it is an ambiguous attempt to by-pass the implementation of the October 8 decision, in order to save Tito's face. I cannot believe that the U.S. seriously intends to back-track, weasel, welch, renege or—since the Department prefers the euphemism—to "finesse" its decision to proceed with the transfer (however slowly) of Zone A in order to give Italy parity with Yugoslavia as a basis of negotiation. Merely to make the attempt will have a most lamentable effect here and, I believe, throughout Europe. What price Tito's face if America loses face in the eyes of all Europe? However, I realize that this comment may be unwarranted, and I will reserve further reflections until the Department chooses to grant the U.S. Embassy in Rome parity with the British and French Embassies in the discussion.

I am unavoidably reminded by the above situation of another fact: that the actual text of the October 8 decision was in the hands of the British Ambassador here on October 6, twenty-four hours before it was released to us, thus allowing them time for comment. Indeed I first got the text from them, and by the time the Department sent it to me, on the morning of the 7th of October, it was too late for our Embassy to make any comments or protest. Nevertheless, I wired you that afternoon, for the record, that the actual text and instructions "demolished our carefully prepared plan."[3] I recall in this connection that the plan I proposed allowed time—which was obviously prudent—for both Tito's and Pella's reactions, and suggested thereafter certain steps to secure their acceptance, including a five-power conference—a necessity that was clearly foreseeable.

In the matter of the October 8 decision, at the time I believed that the failure of the Department to give this Embassy any opportunity to comment on the final plan was owing to unavoidable bureaucratic delays in coordinating between London and Washington.

But in the present situation it is perfectly clear that there has been ample opportunity for the Department to inform us, proven by the fact that the French and British Embassies here have been *au courant* for several days.

I know you realize that inevitably our Embassy will be held in part responsible—indeed I am already being held responsible—by public opinion for the decisions taken in the Trieste affair, and for their consequences. Therefore I think it only just to keep the

[3]Reference is to Document 126.

record quite clear between the Department and the Rome Embassy:

While I constantly and forcefully urged action and decision on the Trieste question, I was not informed in time to comment on the text or the actual modality of the decision finally taken. And we are not now being simultaneously informed with the British and French Embassies on the text or modalities of the new proposals which, I gather (from the British) I may be expected to present shortly to the Italian government.

Let me add that the members of my staff concerned with the Trieste question share my astonishment and concern about this procedure. And they are as hopeful as I am that you will soon instruct us as to the reasons for it.[4]

Cordially,[5]

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[4]In a letter of reply, Nov. 13, Dulles noted that Luce had approved the revised proposals on Trieste so that he did not need to answer that part of her letter. He also explained that the draft proposals shown to the British on Oct. 22 were based on a preliminary working paper and it was made clear that they had not been formally approved by Dulles. Yet the British Embassy had sent the preliminary draft to Rome, while Department of State officials were still seeking further consideration and approval of the draft within the Department. Dulles apologized for the misunderstanding and for the embarrassment it had caused Luce and promised that, in the future, significant preliminary working papers would be sent to her. (Luce files, lot 64 F 26, "Letters 1954")

[5]The source text is not signed.

No. 144

768.00/10-2753

The Chargé in Yugoslavia (Wallner) to the Deputy Assistant Secretary of State for European Affairs (Bonbright)[1]

TOP SECRET
OFFICIAL–INFORMAL

BELGRADE, October 27, 1953.

DEAR JAMIE: Not from vanity but from real concern about the future, I quote you an extract from the letter I wrote you on May

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[1]Attached to the source text was a handwritten, undated note from Wallner to Bonbright, in which Wallner wrote that he was sending a copy of the letter to MacArthur, but not to Barbour, since he knew that Barbour was "sensitive and feels that he has been put in a false position in all this." He also stated that Bonbright, at his discretion, could show the letter to Barbour and assure him that Wallner's comments about his role were not personal.

19 of this year[2] after the resounding failure of my *démarche* of May 7 with the Yugoslavs.[3]

"I know it is the fashion to say that Tito is a dictator and has no parliamentary or public opinion problems. He may not have any parliamentary problems but he has an internal party problem and he derives non-party support from national issues such as Trieste and big power pressure. On these most Yugoslavs are united, whether they like Tito or not. It is true that Tito cannot go back to the cominform now but he can return to isolationism, especially if satellite pressure on his borders diminishes. Such an isolationism would make him more susceptible to the magnetism of Moscow should Moscow at some future time change her policies to the extent necessary to alter the basis of the break of 1948. I mean of course the tolerance of national Communism in neighboring countries. We encouraged and applauded Tito's recent shift away from isolation which led to the conclusion of the Balkan Pact . . . . How far are we prepared to go to reverse that trend? Is it in the long term interests of our Italian NATO partner to do so? I am not a military man but I do not think one has to be one to answer that question in the negative.

"There is a tendency in the Department if I correctly read certain signs, to consider Tito . . . should be taken down a peg from time to time. I do not entirely disagree with this tendency but I do know that when it is put into practice the psychology of the man and his regime, and the nationalistic tendencies of his people should be taken into account if the taking down a peg is going to be successful. . . . I think the recent episode should serve as a lesson to all of us. I do not think that we should again take Italian proposals and call them American."

Despite the background of the October 8 decision, which, if I am to judge by certain memoranda written by Doug MacArthur, was based on the "no favorites in the harem" principle that we needed both Yugoslavia and Italy (to which all sensible people subscribe), the way the thing worked out, both publicly and privately, but above all publicly was to weigh the business heavily in Italy's favor. Much of this was predictable, though by no means all—as was equally predictable to any one that knew anything about Yugoslavia that the louder the Italians applauded the worse it was here. I agree that it would have been superhuman to have balanced things equally, but I wonder, on the basis of the innumerable memoranda of conversation that the Department has been sending me, whether the people whose business it was to know about Yugoslavia even got a hearing. I know Wally Barbour attended many of the meetings, but the record shows that he (who has the entire Soviet complex as his responsibility) was out-balanced four or five

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[2]Not found in Department of State files.

[3]Wallner's May 7 *démarche* is described in telegram 1531 from Belgrade, May 7. (750G.00/5–753)

to one by a WE team headed by Homer Byington. And I think you should start thinking about the record, if remarks by Congressman Blatnik (admittedly a Democrat and of Slovene origin) are any indication of how a congressional blowup might go if Yugoslavia is lost to the defense setup.

The above illustrates the reasons why I have asked that Turner Cameron stay on here so that he (or alternately I) could be available for a conference. The head of the US delegation simply must have the benefit of the opinions of people whose business it is to know how these Yugoslavs react. The same would apply in the unhappy case that we had to take the whole business to the UN.

Best to you,

WOODIE

No. 145

Italian Desk files, lot 58 D 357, "Trieste—October 1953"

Report of the United States–United Kingdom Working Party[1]

TOP SECRET [LONDON,] October 28, 1953.

1. The US/UK Working Party made an exhaustive study of the possibility of handing over the administration of Zone A to the Italians while retaining Allied Forces in the Zone. The military members of the Working Group, including those from AMG Trieste, sep-

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[1]The United States–United Kingdom Working Group on Trieste met in London at the Foreign Office, Oct. 26–28. The meetings were chaired by Nicholas J.A. Cheetham, head of the three-man British Delegation. The U.S. Delegation consisted of Homer M. Byington, Jr., Director of the Office of Western European Affairs at the Department of State; Maj. Gen. C.D. Eddleman, Assistant Chief of Staff, G–3, United States Army; Col. Joseph C. Anderson, Office of the Secretary of Defense; Raymond F. Courtney, First Secretary of the Embassy in London; James L. O'Sullivan, Second Secretary of the Embassy in Rome; and Lt. Col. Richard M. Lee, Office of the Assistant Chief of Staff, G–3, United States Army. Also participating in the meetings was a delegation from the Allied Military Government in Trieste consisting of three military men and one civilian. Copies of the minutes of the Working Party meetings on Oct. 26 and 27 and twice on Oct. 28 were transmitted to the Department of State as enclosures to despatch 1651 from London, Nov. 3. (750G.00/11–353)

In addition to this report and annex, the Working Group prepared a Position Paper regarding the suggestion to turn over civil administration of the city of Trieste to Italy while the Allied Military Government retained control of the balance of Zone A. The Working Group concluded in this paper that the difficulties in such a course of action would be many and complicated and that, although some of the difficulties could be overcome in time, they were such "as to render such a turnover in the short term both impracticable and dangerous." A copy of the Position Paper, dated Oct. 28, was transmitted to the Department of State as an attachment to despatch 1616 from London, Oct. 30. (750G.00/10–3053)

arately examined all the implications of such a proposal and submitted their views to the Working Party. (See Annex)

2. In the light of these views that this action would present unacceptable difficulties from both the military and administrative points of view, and after further discussion by all members of the Party, the Working Party decided to consider what functions and services of government in Zone A, additional to those listed in the Memorandum of Understanding of May 9, 1952,[2] could be progressively handed over to the Italian Administration.

3. The Working Party had before them a plan submitted on behalf of the Zone Commander which would provide for a progressive transfer of the administration of Zone A in two stages.[3] During the first stage of the plan Allied Military Government would be completely Italianized, with the exception of certain key personnel. The Zone Commander would retain full authority and responsibility in the zone until the completion of the second stage, which would begin a few days before the final Allied withdrawal.

4. The Working Party took account of the view expressed by the Italian Government that the departments reserved to the Zone Commander under the London Memorandum of Understanding should be progressively turned over to Italian administration. The Working Party felt that this process could be geared to the progress of the Five-Power Conference, if held. The Working Party recognized the desirability of convincing the Italian Government of the sincerity of the US and UK Governments in putting into effect the decision of October 8 and of their determination to effect a progressive transfer, bearing in mind that the administration of Zone A must be passed to the Italian Government as a going concern.

5. With these considerations in view the Working Party recommends that the US/UK Governments inform the Italian Government in confidence that the functions and services of the present administration of Zone A would be transferred to the Italians in the following manner, probably commencing as soon as agreement had been reached for the holding of a Five-Power Conference. The Italian Government would:

(a) Provide 8 Majors of Carabinieri to understudy and later replace certain Allied officers in the Venezia Giulia Police Force. Only 6 Allied officers would then remain in command of the Police Force.

(b) Provide a Director of the Port of Trieste, the Zone Commander to retain a residual authority over the port facilities and services for his military needs.

(c) Take over the Shipping Control Office.

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[2]For text, see Department of State *Bulletin*, May 19, 1952, pp. 779–780.

[3]A copy of the plan has not been found in Department of State files.

(d) Provide 7 officials to take over the administration of displaced persons camps. This would leave one Allied officer in charge of displaced persons until the final Allied withdrawal. The Italian Government would be invited to appoint an officer to understudy this Allied official in order to take over his duties on the date of final withdrawal.

(e) Provide Press and Broadcasting officers to take over these functions of the Allied Public Information Office. The present Allied Director of Public Relations would remain until the final withdrawal but the Italian Government would be invited to provide an understudy to him.

(f) Be invited to appoint an understudy to the Comptroller of Accounts, to take over from the latter on the date of final withdrawal.

(g) Provide officials to take over progressively the internal administration of Allied Military Government (personnel, equipment, stores, buildings, etc).

(h) Be invited to appoint an understudy to the office of the Chief of Staff (A.M.G.) to take over this function on the date of final withdrawal.

(i) Be advised that:

1. The Directorate of Legal Affairs will remain directly responsible to the Zone Commander until the final withdrawal in order to assist the Zone Commander on legal matters. This will involve the retention of 3 officials only and will not affect the Italian legal structure now functioning in Zone A;
2. The Zone Commander will retain until the final withdrawal the present Military Permit Office;
3. While the Post and Telecommunications are turned over to it, it will be necessary in the interest of military security to retain until final withdrawal of US/UK military forces the one remaining Allied official in this organization.

The details of the arrangements in subparagraphs a to h above would be worked out directly by the Italian Government and A.M.G.

6. The Working Party believes that implementation of the above plan would enable the Zone Commander to retain control over the Zone for a reasonable period of time before final authority is transferred to the Italian Government simultaneously with the withdrawal of the US/UK forces.

Note: The Zone Commander is unable to agree to hand over the control of the port during the first stage, as he considers that without this control he cannot ensure the safety of the US/UK forces, particularly during the final stages of the withdrawal. He is, however, willing to admit an Italian understudy to the Director of the Port.

The Working Party gave full consideration to the Zone Commander's objections to allowing the Italians to provide a Director of the Port of Trieste in stage one. The US/UK members of the Party

prefer to leave the wording in subparagraph 5 (b) as now written, for the following reasons:

(1) As long as the Zone Commander retains supreme authority in the Zone, along with command of US/UK forces and the VGPF, he has the means at his disposal to guarantee the use of the port facilities required for the final embarkation of his military units, their equipment and supplies.

(2) In the event Italian naval vessels moved or attempted to move into the Port of Trieste, in violation of the Zone Commander's wishes, this could not be prevented by any one Allied official as Director of the Port. Rather, the Zone Commander should call upon the US and UK Governments for necessary action.

(3) The retention of residual authority over the port facilities and services should meet the Zone Commander's military needs.

Annex

Report by the Military Members of the United States–United Kingdom Working Party

TOP SECRET [LONDON,] October 28, 1953.

MILITARY IMPLICATIONS OF PROPOSAL TO HAND OVER ZONE A TO THE ITALIANS WHILE RETAINING MILITARY FORCES IN THE ZONE

1. The Military members of the Working Party consider that the separation of the Civil administration from the Military command would create the following problems:—

2. *Situation with Respect to NATO*

(a) Italian Administrative Authority over Zone A while US/UK troops remain in occupation would appear to place the Zone automatically in a NATO status. Any attack on the Zone would thus permit Italy to invoke Article 5 of the NATO agreement. This would seem to place Italy in an ideal position to provoke Yugoslav attack by pursuing an expansionist policy toward Zone B.

(b) There are many ways in which deliberately or otherwise the Italians could create incidents to provoke the Yugoslavs. These could take the form of minority persecutions, inflammatory radio or press attacks, popular demonstrations or mob violence, or border incidents, either within or without the Zone. Thus the Italians would have the power to create situations affecting vital US/UK national commitments even to the extent of open armed conflict.

3. *Legal Status of Forces*

(a) The situation of US/UK Forces in Zone A under Italian administration would require the legal safeguards of an Occupation Statute to protect both individuals and property. The existing Allied Military Government Courts could no longer operate to furnish this essential protection nor would the NATO Status of Forces

Agreement be adequate or applicable. Even should the Pella government be able to pass an acceptable Statute, it is questionable whether time is available for the necessary legislative processes.

(b) Other vital but related legal problems would be created under this proposal for which no solution is apparent within the time available. These include the entire field of fiscal and customs legislation, the rights of military requisition, status of statal and parastatal housing, and criminal and civil jurisdiction.

4. *Internal Security*

The primary instrument of the Military Commander in the execution of his present responsibility for the maintenance of the internal security of the Zone is the Venezia Giulia Police Force, which would presumably pass to Italian control under this proposal. All existing emergency plans, either for internal or external security of the Zone, are predicated on the use of the VGPF, and would thus be invalidated under the proposal. Therefore if the Italian Administrative Authority should call on the Allied Military Commander to use troops to maintain public order, such action would be without legal basis. Also purely from the consideration of the safety of his own forces, the protection of military property and the accomplishment of his mission, the Allied Military Commander would require certain emergency powers for which no legal provision exists.

5. *Morale*

(a) There is a great weight of human unhappiness among the US/UK forces as a result of the sudden division of families, particularly so for a period of uncertain duration. To this must be added the considerable financial hardships inevitable when homes are broken up at short notice and officers and other ranks are compelled to make emergency arrangements for their personal effects and for the temporary accommodation of their families in conditions far from satisfactory, and which are aggravated by indefinite tenure.

(b) These factors are bound to have an adverse effect on the morale of the individual soldier. Further factors which may affect morale will be relinquishment of requisitioning powers which will limit facilities for training, organized sport, welfare and amenities.

6. *Maintenance*

The maintenance of the US/UK Forces in Zone A is dependent upon the availability of essential services, such as transportation, port facilities and public utilities. This would depend upon Italian cooperation both on a local and a national basis. Thus the logistic support and maintenance of the forces would be placed at the mercy of the local or national Governments.

7. General Winterton, who has been Supreme Commander of the AFT for three years, cannot be expected to assume a position of

lesser importance in the Zone. It would therefore be necessary to ask General McFadyen or some other general officer to take command of the US/UK Forces remaining in Zone A, under this proposal.

8. As a final consideration it appears that the Military Commander of the US/UK Forces remaining in Zone A, under Italian administration of the Zone, would be placed in the unacceptable position of having responsibility without authority.

No. 146

750G.00/11-1653

The Assistant Secretary of State for European Affairs (Merchant) to the Assistant Secretary of Defense (Nash)[1]

TOP SECRET [WASHINGTON,] November 16, 1953.

DEAR FRANK: On October 29 Secretary Wilson telephoned to Mr. Dulles[2] with regard to 350 servicemen stationed in Trieste whose families have already been evacuated to Leghorn where we understand they are presently put up in hotels. Mr. Wilson asked whether we would object to transferring these men from Trieste at once, some of them to Germany, some to the United States. Before we could comment on this the Trieste riots[3] intervened and we felt it best to delay for a bit to see how matters developed.

The situation in Trieste now seems to have quieted down and since only 350 men would be involved we see no objection to the course Secretary Wilson proposes. We know of no agreement with the British which would prevent such action. They have themselves

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[1]Drafted by William E. Knight and cleared by Bonbright, Byington, and Barbour. In a memorandum of Nov. 13 to Merchant, Secretary Dulles wrote that Secretary of Defense Wilson, at the meeting of the National Security Council the previous day, had handed him a note regarding troop withdrawals from Trieste. Wilson's handwritten, undated note, attached to Dulles' memorandum, reads, "Foster what about letting the no. of our troops in Trieste gradually reduce by attrition as their terms of service expire." Dulles said that he had told Wilson offhand that he saw no reason why the 350–500 troops then under orders to return, and whose dependents had already been shipped, should not be allowed to leave without replacement. (750G.0221/11-1353)

[2]A memorandum of this conversation is in the Eisenhower Library, Dulles papers, "Telephone Conversations".

[3]Civil disturbances erupted in Trieste Nov. 4–6 in the wake of the celebration on Nov. 3 of the feast day of San Giusto, the patron saint of Trieste, and of the observance of the 35th anniversary of the evacuation of the city by Italian troops following World War I. British and American troops were used to restore order on Nov. 6. General Winterton's lengthy report on the riots was contained in telegram Taf 251 to the Department of the Army for the Joint Chiefs of Staff, Dec. 4. (Italian Desk files, lot 58 D 357, "December 1953")

in the course of the last few years gradually reduced their forces from almost 5,000 to about 3,000. Since the position of the Zone Commander would be most immediately effected, we would assume that his opinion should be of the utmost importance.

We strongly urge that if these men are withdrawn the withdrawal be accomplished in the quietest way possible, and that all precautions which can practicably be taken to avoid publicity such as shipping them by rail and in the smallest possible groups be observed.

Since any more extensive reduction of our forces in Trieste would probably have serious political repercussions in the present extremely delicate Trieste situation we would not be in favor of plans to remove any additional men at this time.

Sincerely yours,

LIVINGSTON T. MERCHANT

No. 147

Belgrade Embassy files, lot 56 F 149, "August-December 1953"

The Special Liaison Officer to the Headquarters of Allied Forces in Southern Europe (Maffitt) to the Counselor of Embassy in Italy (Durbrow)

TOP SECRET NAPLES, November 16, 1953.

DEAR DURBY: A good deal of heart-searching has been going on here since the situation around Trieste and to the north presented the possibility of an outbreak of hostilities. What would CINCSOUTH do if Tito's forces entered Zone A, before or after withdrawal of US/UK forces? What if fighting broke out along the border to the north, especially if the originator was not clearly identified as aggressor? In amending AFSOUTH's EWP to include the possibility of an attack by Yugoslavia on Italy or on Italian troops in Zone A, should a provision be written in for the establishment of a demilitarized zone between Italian and Yugoslav forces and if so, should it contemplate enforcement action against Italy as well as against Yugoslavia? What role would the UN play? What would the legal status of Zone A be after the US/UK had turned it over to Italian administration? In the event of an open Yugoslav attack against such administration, or the US/UK forces in the Zone, would Article 5 of the Treaty technically come into effect, as the British Ambassador to Denmark says the British think (Copenhagen's 256 of Oct. 26 to the Dept., Rome 3[1]), etc. etc.?

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[1]Not printed.

The Commander in Chief says the answer to the first question is simple enough. He would await SACEUR's instructions. When I suggested that an American national source might give him instructions in his American rather than his NATO capacity, he said that as an American citizen and the senior US military person in this area, he is at the orders of his superior, CINCEUR, and could be ordered to take what action the latter might deem appropriate. He added that Admiral Wright[2] thinks that he, as CINCNELM, would probably be the commander who would be called on to act in a purely American capacity if such an occasion should arise. I am inclined to agree with Jerry, since I cannot envisage the US removing Admiral Fechteler from his NATO command when CINCNELM is available and the American forces immediately at his command are naval.

The Commander in Chief's answer would cover the second question also, although it only begs it.

The rest of the questions have come up in connection with planning, on which I have been devoting considerable time at G–3's request. The main problem raised in trying to provide for all contingencies in this situation is that you find the UN and NATO could be in opposition. That is, technically the UN Security Council or General Assembly could order or recommend measures for the restoration of peace and security in the affected area which would entail action of some sort against Italy, a signatory to NATO, such as applying force to make it evacuate a security zone X miles deep along the Yugoslav border or restraining it from occupying terrain in Yugoslav territory which is the key to the military defense of Zone A. In reality, it is unlikely the UN would take any decision or make any recommendation which could create additional fighting, but it might very well, in the desire to put out or at least localize the conflagration, call for some action which would require that members, among them members of NATO, or at least to not giving it the assistance it might request from its allies.

In helping to write some of the planning referred to above, I have held that a NATO planner must plan from the NATO point of view. He must first of all seek to keep the Organization intact and to safeguard its members from action by non-members. I realize that under Article 103 of the UN Charter the obligations of the Charter shall prevail over those created by any other international agreement, but it is not for the NATO planner to try to figure out what the UN should do. In other words, he should not get involved in what would happen if the UN asked NATO to put out an Italian-Yugo fire on a strictly impartial basis. He should devise possi-

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[2]Adm. Jerauld Wright, USN.

ble measures that will help Italy out and then hope that the members of NATO who are also in UN will see to it that the action called for by the UN will be in harmony with it.

I have no NATO solution to the problem that would be created if Yugoslavia threw the Italians out of Zone A and then sat down. We don't own the Zone and so have no legal right to give it to anyone or, in fact, to do anything but administer it with the British at the UN's request. It does therefore not become Italian territory *de jure* when we hand it over. A penetration of it by Yugoslav forces would therefore presumably not be an attack on the *territory* of Italy nor, if US/UK troops were not there any longer, would it be an attack on "occupation forces". I am not even sure our troops are to be considered as occupation troops within the meaning of NATO.

It follows from this line of thinking that the Yugos would have as much legal right to sit in Zone A as the Italians, and if that is what they were able to do, I am not clear what anyone would do about it. I assume Italy would try to expel them by its own military efforts. It is believed here that Italy can do this if it has the will to fight, because it is better equipped and has greater reserve strength. But if it was successful, it would not stop—militarily, it could not until it had taken the dominating heights, which are inside Yugoslav territory—and would find itself in the technical position of aggressor because the Yugoslavs had not invaded Italian territory and the Italians *had* invaded Yugoslavia. This would give us something to think about.

The UN approach would be to call for a cease-fire, withdrawal of troops behind national frontiers and possibly beyond, as in parts of Palestine, and out of the F.T.T., and peaceful negotiation for an agreement. I do not know how much attention would be paid this unless teeth were put in it, in which case NATO members, as pointed out above, might have to choose between the UN and NATO, Article 103 notwithstanding.

I write the above more to give you background than to tell you any particular news. It is illuminating to look at the variety of problems which arise for NATO when there is an outbreak of violence in which one of its members is involved, under circumstances such as the present, although it also may be of interest to you to know that there has been one amendment to the EWP recently sent up to SHAPE and that another is cooking, both designed to direct NATO's thinking toward the issues raised by an attack from another quarter than that originally envisaged by the treaty. It is also interesting to know that the Americans here believe Italy militarily stronger than Yugoslavia and able to defeat Tito in a war if

it has the will to fight. Some question seems to exist in connection with that condition.

Yours sincerely, EDWARD P. MAFFITT

No. 148

Editorial Note

On November 13, the British, French, and United States representatives in Belgrade and Rome, acting on instructions from their governments, made oral *démarches* to the Yugoslav and Italian Governments, proposing a five-power conference on Trieste. On November 15, the Yugoslav Government replied that it would attend only a preliminary conference of technicians and on the condition that prior to the preliminary conference there be no Italian officials introduced into Zone A. Any subsequent introduction of Italian administrators to Zone A would have to be demonstrated to be symbolic in character. On November 21 the Italian Government indicated that it accepted the proposal for a five-power conference, whether it be a conference of technicians or a full conference. However, it expected that prior to and during any five-power meeting, the United Kingdom and the United States would begin the gradual transfer of administrative authority in Zone A to Italy as had been announced on October 8. The Yugoslav reply was transmitted to the Department of State in telegram 682 from Belgrade, November 15. (750G.00/11-1553) The Italian reply was sent to the Department of State in telegram 1649 from Rome, November 21. (750G.00/11-2153) Further documentation, including the instructions to the respective Ambassadors, reports on the presentations on November 13, and comments on the replies of the Yugoslav and Italian Governments, is in file 750G.00.

On November 3, Ambassador Luce sent a memorandum to President Eisenhower, Secretary Dulles, and Director of Central Intelligence Dulles providing a number of recommendations regarding United States policy toward Italy to prevent the fall of the Pella government, including the immediate implementation of the October 8 announcement on Trieste. For Luce's memorandum, along with President Eisenhower's reply of November 7, in which he assured her that "we have no intention of weaseling on our October eighth decision," and Secretary Dulles' reply of November 19, see volume VI, Part 2, pages 1631, 1634, and 1639. Portions of Luce's memorandum and the President's reply are paraphrased or quoted in *Mandate for Change*, page 415.

No. 149

750G.00/12-453: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET NIACT BELGRADE, December 4, 1953—7 p. m.

750. Limited distribution. Tito gave farewell lunch for Harmony today at which time I had opportunity of exchanging a few words with him on Trieste. I told him we hope to make new approach within few days that I hope Yugoslav Government would give most serious consideration and do everything possible to accept what would be on our part a most earnest effort to find a compromise in order that a conference could convene. I said we had read his Jacje speech[2] most carefully and Tito responded that he had now gone even farther in ordering the demobilization of one division and one brigade in the frontier region. With reference to the proposed conference, he said that he must emphasize one point and that is it would be impossible for Yugoslav Government to accept any implementation of October 8 decision before some kind of conference was convened. I asked him if he were referring specifically to the transfer of posts and whether his government was prepared to discuss the possibility of transferring certain symbolic posts during the course of the conference. I recalled that we had not yet heard from Yugoslav side what was meant by "posts of a symbolic character". Tito hesitated somewhat and then said that perhaps this could be considered but he did not make a particularly definite reply. I said that the three governments were now making a determined effort to find a formula which could be accepted in both Rome and Belgrade and I urged him to make some kind of effort on Yugoslav side to go as far as possible in finding a compromise which would lead to a conference. Tito said if necessary when we came to discuss next approach, perhaps three Ambassadors could meet with him informally in an effort to reach a solution.

Tito made one allusion in course of this conversation which indicated he was informed as to reasons for our delay, i.e., that Bidault had made last minute difficulties which had not yet been cleared away. I confined myself to replying that when three distant capitals were involved it always takes time to obtain unity of views but that I was certain we would be able to approach his government very soon.

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[1]Repeated for information to Rome, Paris, London, and Trieste.

[2]Given on Nov. 29 and summarized in telegram 729 from Belgrade, Nov. 29. (750G.00/11-2953)

While foregoing may be useful as indication of Tito's willingness to find compromise re conference, I do not interpret it to mean that Yugoslavia will accept November 13 decision unmodified. It does indicate however that we should make approach here as soon as possible before additional suspicion arises on Yugoslav side that we are negotiating with Italians before discussion problem again with Yugoslavia.

From Tito's remarks and information obtained by French and British Ambassadors in separate conversations with Bebler, the form of probable Yugoslav reply begins to emerge. It seems likely that our next approach on basis contemplated instructions will be met with Yugoslav proposal to confine transfer of some posts to City of Trieste and that this only be done after convening of preliminary conference. This is in line with what Bebler told me in Sarajevo (Embtel 730[3]).

In conversation with French Ambassador Bebler outlined instructions which he had just cabled to Yugoslav Ambassadors Washington, London and Paris, outlining basis on which Yugoslavs would be prepared to discuss substance of settlement in a conference. In Yugoslav view Italians should be prepared to give up claims to Zone B in return for Tito's renegotiation of claims to City of Trieste so that conference would turn around how much of Zone A should go to Yugoslavia. Both sides however should be prepared to give extensive guarantees in areas of present FTT to be retained by them re minority rights which would give these areas in effect a separate or semi-autonomous status inside Yugoslavia and Italy.

In addition to what Tito said re demobilization, Bebler also told French Ambassador that when Tito read AFP despatch this morning, dated December 4 from Bermuda, to effect that pending a solution the evacuation of US/UK troops would not be effected, he instructed Yugoslav Minister Rome to approach Italian Government with suggestion for simultaneous withdrawal from frontier regions.

RIDDLEBERGER

[3]Not printed. (750G.00/11-3053)

No. 150

Editorial Note

The possibility of making another approach to the Italian and Yugoslav Governments regarding a five-power conference on Trieste was discussed by Secretary of State Dulles, British Foreign

Secretary Eden, and French Foreign Minister Bidault at the Bermuda Conference, December 4–8, 1953.

Prior to the conference, at the Secretary's staff meeting on December 2, Assistant Secretary Merchant said that it was becoming apparent that the British and the United States must jointly sponsor the five-power conference, that the French should be invited but that they "were not playing ball with us," and that France was keeping the Italian Government fully informed of United Kingdom–United States plans regarding Trieste. Secretary Dulles said that the way to approach the French would be to give them "a little shock treatment" by telling them they did not have a responsible government and that the British and United States Governments would sponsor the meeting and have France present. (Secretary's Staff Meetings, lot 63 D 75, "December 1953")

On the first day of the conference, December 4, two meetings were held, during which Dulles, with strong support from Eden, urged proceeding with the approaches to Tito and Pella as had been previously proposed. Bidault finally consented to the idea, but only after Dulles had suggested that the United Kingdom and the United States take the responsibility for the approaches and after Dulles and Eden had accepted Bidault's suggestions for changes in the wording of the communications to the Yugoslav and Italian Governments. These meetings were described in Secto 3 from Bermuda, December 4. (750G.00/12–453)

The text of the approaches to Tito and Pella were transmitted to Belgrade and Rome in telegrams 699 and 1974, respectively, both December 5. (750G.00/12–553) In Secto 6 from Bermuda, December 5, Dulles admitted that there had been some misunderstanding concerning the timing of the approaches, and that instead of simultaneous approaches in both capitals, an approach was to be made only in Belgrade and that the Rome approach would be deferred until the soundings with Tito were completed. (750G.00/12–553)

A copy of a position paper on Trieste, prepared by William E. Knight and dated December 1, for use at the Bermuda Conference, is in PPS files, lot 64 D 563, "Trieste". For documentation on the Bermuda Conference, see volume V, Part 2, pages 1710 ff.

No. 151

750G.00/12-653: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET NIACT BELGRADE, December 6, 1953—8 p. m.

754. Department please pass Bermuda. Re Embtel 753.[2] British Ambassador, French Chargé, and I met with Popovic and Bebler and presented latest sounding together with descriptive comment and strong urging that Yugoslav Government accept this proposal as means of convening conference in near future. We emphasized advance which this sounding represented over that of November 13 with particular reference to fact that 1) no transfers were contemplated before meeting, that 2) authority of Zone Commander would remain paramount and that 3) an agreed solution of conference would supersede October 8 decision.

In spite of our best efforts, Popovic replied that our proposal was illogical in that while it addressed itself to procedure we were in effect discussing substance and were prejudging the results of a conference by proposing to transfer posts to Italian officials. He emphasized it was not a question of timing on the transfer of posts but of substance. If a question of substance is to be decided now, he argued, Yugoslav Government might agree to a symbolic transfer of posts provided it were to be part of a general solution. Therefore the proposal we made does not correspond to Yugoslav ideas and is prejudicial to its position. Italian Government has posed "positive conditions" which have made it impossible to agree on idea of a preliminary conference without conditions. In these circumstances Popovic said he would make a counter proposal to that which we had submitted for the transfer of posts to Italian officials. This counter proposal would be in effect an outline of what the preliminary conference could do. The points of this counter proposal follow:

a. Yugoslavia would only accept transfer of posts for City of Trieste.

b. Conference should try to find line of demarcation between Italy and Yugoslavia taking account of fact that Yugoslavia would renounce City of Trieste and Italy would renounce Zone B.

c. As we wish to implement part of October 8 decision by introducing Italian officials, we should also implement another part of

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[1]Repeated for information to Rome, Paris, London, and Trieste.

[2]In telegram 753, Dec. 6, Riddleberger said that he would make the approach to Popović, along with his British and French colleagues, at 5 p.m. that evening. (750G.00/12-653)

October 8 which refers to minority rights, this partial implementation could consist of public action by AMG abrogating Italian Fascist laws and decisions of Italian courts detrimental to Slovene minority. This would include putting Slovene minorities on par with Italians and equal rights for Slovene cultural activities.

d. Should also announce when conference convenes that both parties would accept as part of final settlement that those territories of FTT which Italy and Yugoslavia would acquire would have an autonomous status within their respective jurisdiction. Extent of such autonomy would be determined at the conference, taking into account the specific characteristics of each state (i.e., the statutes for autonomy could be different in that the statute for Yugoslav zone would take into account the rights of Italian minority while other statute would take into account international role of City of Trieste).

We inquired if this counter proposal could be dropped if it were possible to come to preliminary conference without conditions and received an affirmative reply.

In conclusion, Popovic, whose attitude throughout was cheerful and courteous, suggested that in future we not await tripartite agreement before discussion our ideas with Yugoslavia.

RIDDLEBERGER

No. 152

Editorial Note

On December 9, Julius Holmes discussed with Secretary of State Dulles a paper prepared in the Bureau of European Affairs which recommended a three-step approach to the Trieste question: (1) A final tripartite *démarche* would be made to Tito in an effort to obtain Yugoslav agreement to attend a preliminary meeting on the basis of the November 13 and December 6 soundings; (2) if Tito's reply turned out to be negative and final, then a tripartite approach to the Italian Government to ascertain its final position on a preliminary five-power Ambassadors' meeting without conditions, as had been proposed by Eden; and (3) if both these efforts proved unsuccessful, the United States would then propose to the British that they have direct United States–United Kingdom negotiations with Yugoslavia before carrying out any further implementation of the October 8 decision. These proposals were summarized, and Holmes' meeting with Dulles was briefly referred to, in a briefing memorandum prepared for Dulles by Merchant, December 11, preparatory to Dulles' departure for the North Atlantic Treaty Council meeting in Paris. A copy of a paper, which has no identifying notations or date but which, from its contents, appears to be the

paper prepared in the Bureau of European Affairs regarding Trieste, is in Italian Desk files, lot 58 D 357, "December 1953".

In a conversation with British Ambassador Makins on December 10, Dulles indicated that the United States and the United Kingdom might be reaching a point where some risks would have to be taken with Yugoslavia, since the two countries could not be in a position of having Yugoslavia force them to back down. Makins said that he understood that Holmes was working on a paper which he offered to take when he returned to London on December 11. Makins was informed that the paper was not yet ready, but that it would be given to him as soon as it was completed. (Italian Desk files, lot 58 D 357, "Trieste—December 1953")

Holmes went to London on December 15 and apparently took with him the EUR paper outlining the three-phase approach on Trieste. He discussed such a paper with Ivone Kirkpatrick, the Permanent Under Secretary of State for Foreign Affairs, with Geoffrey W. Harrison, the Assistant Under Secretary of State, and with others, at a meeting at the Foreign Office on December 16. A memorandum of this conversation was transmitted to the Department of State as an enclosure to despatch 2173 from London, December 17. (750G.00/12-1753) Holmes' discussion of the plan on December 18 with Eden, Kirkpatrick, and others was reported in Document 154.

No. 153

750G.00/12-1653: Telegram

The Chargé in France (Achilles) to the Department of State[1]

TOP SECRET NIACT PARIS, December 16, 1953—11 p.m.

2319. Secretary spent ¾ hour with Pella, interpreter, and Merchant morning December 16 at United States delegation office, Palais de Chaillot. In establishing date Secretary told Pella he was unwilling discuss in detail or negotiate regarding Trieste. Following conclusion talk, both agreed they would tell press that discussion was informal, covering wide range subjects and that there was no technical discussion nor negotiation on Trieste.

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[1]Repeated for information to Rome, Belgrade, Trieste, and London for Holmes. The Italian Government's summary notes of the Dulles-Pella conversation on Dec. 16 were transmitted to the Embassy in Rome on Dec. 24. An English translation of these notes prepared by the Embassy staff was one of several enclosures to a memorandum from Durbrow to Luce, Dec. 28. Luce had returned to the United States on Dec. 2 for consultations. (Luce files, lot 64 F 26, "Washington Trip—January 1, 1954")

After opening statement covering in some detail delicate domestic political balance in Italy and importance solution Trieste to enable him to continue execution pro-NATO foreign policy, Pella asked that United States do all possible to solve Trieste problem. In this connection he referred in complimentary terms to Secretary's understanding of and sympathy for Italy.

Secretary replied substantially as follows: He had said day before that he did not wish to enter into technical discussion regarding Trieste because current negotiations were in hands of Minister Holmes now in London and he deplored simultaneous conduct of two separate negotiations on same subject. Insofar as general problem was concerned, it has been our desire to bring about just and definitive solution of Trieste which is important in itself but also is important for defense of all Europe which requires cooperation in that area between Turkey, Greece, Yugoslavia and Italy.

Secretary, pointing to a map, said it was impossible to achieve the necessary defensive strength in the region so long as existing tensions remain between Yugoslavia and Italy. He went on to say that we had made the October 8 pronouncement in the expectation that it would be acceptable to both sides. Perhaps our intelligence regarding Tito's attitude was somewhat inaccurate. We had relied considerably on the views of British who, we felt, had closer relations with Tito than the United States.

We still believe that the basic decision of October 8 will be carried out though as he had explained in Washington to both Ambassador Tarchiani and Ambassador Popovic, we had always recognized the decision was a "bare bones" decision on which must be put flesh, such as provision for protection of minorities, facilities for use of port of Trieste, and possibly mutually acceptable adjustments of the line between Zones A and B before it was a fully matured decision.

Secretary went on to say that talks were going on between Holmes and British Foreign Office in London. He added that it is not as easy to act in matters such as these when two or three partners are involved as it is when one is acting alone. But, nevertheless, the fact cannot be ignored that the United States is not sole occupying power of FTT, the United States shares occupation in Zone A and Yugoslavia is occupying power in Zone B.

Secretary continued that one of great difficulties is feeling between peoples if not governments of Italy and Yugoslavia. Hence, any action taken which is satisfactory to one country almost automatically has to be rejected by other. With a smile he added possibly strong welcome Pella gave to original proposal contributed to strength of Tito's rejection. Secretary said his impression was that actually difficulty between the two countries was really very small

and he asked Pella to contribute as he recently has to an atmosphere of calm which will contribute to a solution since the differences in his estimate were more psychological than material.

In conclusion, Secretary said he wanted to assure Pella we appreciate difficult position of his government and desire to move in a way to help him meet the internal problem presented by the extremes of left and right. He said he believed Pella can trust us to seek in every possible peaceful way to bring about an equitable solution of problem along lines of October 8 decision.

Pella who had listened intently (though responding with a smile to Secretary's reference to his original enthusiasm regarding October 8) thanked Secretary for his statement reminding him Italy had accepted October 8 decision even if it had not been fully satisfied thereby and also accepted terms of November 13 approach. He said he was willing to continue to run risks for support of foreign policy in which he believed and that he had no other comments to add. In leaving, however, Pella reminded Secretary that whereas Parliament would recess shortly it would reassemble January 15 by which date he was convinced we must have found a solution to enable him to carry on.

Atmosphere of meeting was relaxed and friendly and it was evident that Secretary had made deep impression on Pella.

ACHILLES

No. 154

750G.00/12-1853: Telegram

The Chargé in the United Kingdom (Butterworth) to the Department of State

TOP SECRET LONDON, December 18, 1953—9 p. m.

2696. Limited distribution. Holmes and I discussed Trieste plan with Eden. Kirkpatrick, Makins, Selwyn Lloyd and others were also present.

It was agreed that French scheme reported Belgrade's 798 to Department[1] was quite impractical. Also agreed, in light of results of

[1]Telegram 798 quoted as follows a summary of a proposal Bidault made to Eden on Dec. 16 which had also been furnished the Embassy in Belgrade:

"Before a conference and with the agreement of the two parties AMG would transfer to the Italian authorities for the City of Trieste only the contemplated administrative posts. On the other hand it would abrogate Fascist legislation still in force, proclaim an amnesty for Slovenes sentenced on the basis of this legislation and would guarantee freedom of teaching in Slovene.

Continued

Riddleberger's discussion with Popovic (Belgrade's 797 to Department[2]), it would be inadvisable to pursue present effort any further with Tito. To do so might only irritate him, obtain nothing acceptable to Italians, and jeopardize chances of getting any agreement from him later on. We should move immediately into second phase of plan, i.e., ascertain final Italian position. Preliminary five-power meeting without conditions. It was felt we should simultaneously inform Yugoslavs this being done in order to be able to assure both sides they are being kept fully informed of our efforts. British instructing their Washington Embassy to propose foregoing to tripartite group suggesting that instructions be sent Ambassadors Belgrade and Rome to take this step.

Assuming this does not succeed we should proceed to make United States-UK approach to Tito as outlined in plan. Eden was heartily in favor of this phase of plan, as we believe all others present were, and characterized it as excellent.

Eden would not agree, however, to statement of numbered paragraph 7 that in last resort Tito could be told he could have choice between our proposal or implementation of October 8 decision. He stated it would in first place require reversal of Cabinet decision, which he is not prepared to request at this time, and secondly we all feel that chances of settling problem have now improved and that both Yugoslavs and Italians genuinely want an agreed settlement. He was unwilling to commit himself now to enforcement of October 8 declaration, saying that we should make decision at time it becomes necessary and in light of situation then obtaining. Although Eden unwilling to give firm commitment or to put question now to Cabinet, it was clear that he was impressed by the necessity of a solution without retreat from October 8 and by our firmness in this regard.

"This step taken, a five-power or two-power conference should be organized with the purpose of seeking a definitive solution. Italy would give up claims to Zone B, Yugoslavia would give up claims to the City of Trieste, territorial exchanges between Zone A and Zone B would take place.

"The three powers would emphasize that the settlement in order to be definitive should include a regional autonomy for the two zones, reciprocal guarantees in favor of minorities, a privileged position for Yugoslavia in the Port of Trieste through arrangements similar to those which operated in Salonika between the two wars." (750G.00/12-1853)

[2]Telegram 797 reported a conversation between Foreign Minister Popović and Riddleberger on Dec. 17, during which Riddleberger, acting on instructions from the Department of State, had proposed certain modifications to the conditions for convening a five-power conference on Trieste. Popović had said that the Yugoslav Government insisted on a balanced implementation of the Oct. 8 decision, that is, that guarantees for the rights of the Slovene minority in the city of Trieste would have to be decided upon at the same time that Italian officials were introduced into Zone A. (750G.00/12-1753)

With regard to possibility of letting question go to UN (i.e., Assembly, not Security Council), Eden said "we once favored UN but it is now at bottom of list."

It was agreed that for present no reference to question of "last resort" statement to Tito re October 8 would be made outside Foreign Office and Department. Any discussion of this point and consequent possible leakage might jeopardize chance of putting proposal across. Minutes on this will be drafted and telegraphed Washington when agreed between Foreign Office and Embassy.[3]

It was also agreed that negotiations with Yugoslavs could best be carried out in either Washington or London, because this would be only way secrecy could be maintained and possibility of final appeal to Tito would be left open if necessary. It was tentatively agreed that Yugoslavs would be given choice of Washington or London for discussions.

Recommend that Department inform Paris, Belgrade and Rome of plan on basic noforn except British.[4]

BUTTERWORTH

[3]No copy of the agreed British-U.S. minutes of this meeting has been found in Department of State files.

[4]In telegram 754 to Belgrade (2121 to Rome, repeated to London, Paris, and Trieste), Dec. 23, the Department of State outlined the new plan regarding Trieste. (750G.00/12-1753)

No. 155

750G.00/12-2253

The Counselor of Embassy in Yugoslavia (Wallner) to Julius C. Holmes of the Bureau of European Affairs

TOP SECRET
OFFICIAL–INFORMAL

BELGRADE, December 22, 1953.

DEAR JULIUS: I had it in mind to write you a little note of welcome and condolence upon learning of your involvement in the Trieste issue but now want to give you our views on a matter of substance.

In our telegram 805 of December 21,[1] we suggested that in connection with Phase Three of your proposal to the British Foreign

[1]In telegram 805, Riddleberger pointed out that phase three of the plan presented to the British on Dec. 18 bore a close resemblance to the plan Byington had discussed with Italian officials in April 1953 and which developed into the approach Wallner had made to the Yugoslav Government on May 7. Riddleberger asked that he be allowed to disclose fully the nature of the May 7 approach to the British Ambassador in Belgrade. (750G.00/12-2153)

Office December 18,[2] the background of Homer Byington's conversations with de Castro and de Gasperi last April[3] and the approach which grew out of them and which I made to the Yugoslav Government on May 7,[4] be made known to the British Government. As a matter of fact Jimmie[5] and I were quite unhappy about Phase Three, but in view of the fact that it might never develop, we decided to give you our views in the form of a letter. I was elected to write it because I did the job in May, but it has been reviewed and approved by Jimmie.

Working only on the basis of the cable received by the British Embassy here, a copy of which is attached,[6] we see disadvantages both of form and of substance to putting forward Phase Three to the Yugoslavs.

As for form, the idea of a conference embracing only the occupying powers of the Free Territory of Trieste may have some attraction for the Yugoslavs. My own guess is that in the absence of Italy it will not, because they consider and loudly proclaim that the Trieste issue is one which must be worked out in the framework of the permanent relationships of Italy and Yugoslavia as neighbors and future military partners. They are anxious to get to grips with Italy at the conference table and feel they have a well-documented case to prove that the British and ourselves, in each attempt to reach a Trieste settlement, take as a point of departure an Italian proposal, and, for a number of historical, ideological and diplomatic reasons, will, in a showdown, always support their Italian NATO partners against communist Yugoslavia. In other words, they consider us biased intermediaries. But, assuming that willingly or unwillingly, they would agree to Three Power talks, we here wonder whether it would not be actually harmful to our relations with both Italy and Yugoslavia to hold them. As far as our relations with Yugoslavia are concerned, we would in such a conference place ourselves in the position of representing and identifying ourselves even further in the Yugoslav mind with Italian interests and aspirations. Even if we felt that we could make concessions to the Yugoslav point of view without consulting the Italian Government (something we have never done before) the Yugoslavs would never believe that after every session we weren't on the telephone to the

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[2]See telegram 2696, *supra*.

[3]Memoranda of conversations between Byington and De Castro on Apr. 10 and between Byington and De Gasperi on Apr. 13 are in files 750G.00/4-1053 and 750G.00/4-1353, respectively.

[4]Reported in telegram 1531 from Belgrade, May 7. (750G.00/5-753)

[5]James W. Riddleberger.

[6]Not printed; the British Foreign Office telegram, Dec. 19, was a two-page description of the meeting Holmes had with British officials on Dec. 18 and a brief statement of the British Government's reaction to the proposed plan.

Palazzo Chigi. The Yugoslavs are convinced that we are so deeply committed to the maintenance of a center government in Italy that we have placed ourselves at the mercy, successively, of de Gasperi and Pella, who have had only to point to a coming election or risky parliamentary debate to cause us to push for a Trieste settlement on Italian terms and with Italian domestic political problems foremost in our minds. I can think of no better way of reinvigorating these Yugoslav preconceptions than by putting ourselves in the position of sponsors of Italian claims at a conference. I imagine that some analogous arguments re our relations with Italy could be effectively developed by the Embassy in Rome, but I will not stray off the reservation.

Now, as to substance. As I indicated at the time, but as has become increasingly evident with the passage of months, the Yugoslav Government regards our May 7[7] approach as one of the baldest pieces of pro-Italian partiality ever seriously proposed by a third power. It really frightened them. Within ten days, Tito, in his speech at Slavonski Brod, initiated that progressive hardening of the Yugoslav position which culminated with his speech at Okroglica in September.[8] Their rejection was about as flat and categoric as it is possible for a rejection to be, and their *Aide-Mémoire* of May 12, whose text you will find in my telegram No. 1553,[9] a document well worth re-reading. Psychologically and diplomatically with Yugoslav officials, May 7 is an important and distasteful date. The proposals themselves can only with difficulty be disassociated with an approach which convinced them of the partiality of the United States Government. Let us however examine the substance alone.

The Phase Three proposals, are identical with those, as I remember them, which Homer Byington tried to sell to the Italians in April. The original Byington line stopped at Pirano and was dropped south beyond Umago at de Gasperi's insistence. While I was sure that the May 7 proposals would be turned down, I thought at the time that we would have had a fair chance of selling in May what is now Phase Three. Now I am not so sure that we could have done it even then. Developments since May indicate that its revival, even in a modified territorial form, would never get off the ground.

As it has developed since May, the Yugoslav position can roughly be summarized as follows: a partition on ethnic grounds alone

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[7]In the margin of the source text at this point is a handwritten notation, apparently by William E. Knight, which reads, "This was not the HMB [Homer M. Byington] plan. It included Umago."

[8]The Okroglica speech on Sept. 6 is summarized in Document 105.

[9]Not printed. (750G.00/5–1253)

would give Yugoslavia the area in Zone A between the city of Trieste and Montefalcone, thus cutting the city, which the Yugoslavs have already conceded should be returned to the Italians, from the rest of Italy. If, however, the Yugoslavs are to give up their ethnic claims to this strip of coastline in Zone A on practical grounds, they see no reason for also giving up in Zone B the predominantly Italian towns of Capodistria, Isola and Pirano on ethnic grounds. And they hold these towns as they hold all of Zone B. They say that they will not give an inch of Zone B, but are probably prepared and expect to sell the three towns dearly. They say they would sell them against the coastal strip between Trieste and Montefalcone, i.e., on an ethnic basis, but they concede that this is "impractical". Therefore, they have in the past suggested selling them for economic concessions in Zone A, and this in their minds means a corridor into and facilities in the Bay of Zaule. We have taken the position that such a corridor would make no sense, but the Yugoslavs think they got somewhere in their direct secret negotiations on this basis with the Italians at the end of May, and Tito has it very much in mind personally, since he mentioned it to us, along with much of the argumentation, as recently as October 18 (my telegram 512[10]). In order to get around the corridor idea, we wish to go back to the idea of a 99-year lease of a small area in the Port of Trieste proper. I think the record of my talks with the Yugoslavs last May and their *Aide-Mémoire* of May 12 shows pretty clearly that no spark was ignited by the idea of a 99-year lease in the Port. In spite of my best efforts, I could not get them even to discuss it in practical terms. They dismissed it out of hand. They didn't even bother to point out that the single-track railway connection was terribly steep, that the pier in the suggested area was not built and that an over-pass would have to be constructed over the main railway tracks into the concession. There was simply no sex appeal in the offer as a counterpart to their giving up a vast area of Zone B. Admittedly the area was large, but even if we reduce it to the three coastal towns, would the leased port area have any more appeal than before? I don't think so. If I were a Yugoslav, I would not trade sovereignty over real estate for a leased railway line and a leased berthing area. I would trade sovereignty for sovereignty. In fact, I am not sure that a leased port area, which has no political sex appeal to the Yugoslavs, would be as economically advantageous to them as an international agreement making the Port facilities of Trieste available on a favorable basis to the neighboring countries—and this has practically been promised them anyway.

[10]Not printed. (750G.00/10–1853)

They regard the 99-year lease as a transparent Italian scheme for getting something for nothing.

So you can see that for a whole series of psychological and practical reasons, both of form and substance, we think Phase Three is a poor departure for a conference. But, there is one more point I would like to make. When we go into a conference, we must be extremely flexible. We must also have a series of cards to play, since it is more important that the conference should be successful than that one solution or another should emerge. I think it would be a mistake to pin our hopes on obtaining the acceptance of one single plan, and I know it would be fatal to select, as that plan, one that had already been tried out on the Yugoslavs and rejected so flatly.

Excuse this long-winded letter, but, as you have discovered, it is hard to be concise on this subject.

With best wishes,

WOODIE

No. 156

750G.00/12-2453 Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET PRIORITY ROME, December 24, 1953—7 p. m.

1983. Noforn. Preparatory my departure had long discussion with Pella.[2] Re Trieste he referred to information he had received from British Ambassador yesterday (Embtel 1971[3]) re possibility secret unconditional meeting of Ambassadors. Pella stated firmly he could not accept attend any such meeting be it pre-secret conference or labelled any other way at which all five sat around same table. He convinced Tito would probably leak out that his proposal for a pre-conference without conditions had been forced on Italians. Any impression of this nature would have very bad effects in Italian Parliament and with public opinion. Furthermore if any such pre-conference broke up in failure Pella would be forced to go back to instance October 8 be implemented.

He then made the following suggestion:

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[1]Repeated for information to Paris, London, Belgrade, and Trieste.

[2]Luce left Rome on Dec. 24 to return to the United States for consultations in Washington. A summary of her entire conversation with Pella, which also dealt with Pella's planned program to combat communism in Italy and the question of the European Defense Community, among others, was an enclosure to despatch 1306 from Rome, Dec. 28. (765.00/12-2853)

[3]Not printed. (750G.00/12-2353)

He would have no objection to accrediting a duly authorized representative to meet in say Paris or London to discuss Italian point of view with big three. Furthermore, he would have no objection if at same time Yugoslavs also sent duly authorized representative to same town to have separate talks with big three and explain Yugoslav point of view. Big three could then explain each point of view to other party separately in hope of bringing them more in line. Pella hoped in this way these bilateral discussions might well lead to a five power conference with hope it would succeed in reaching Trieste solution.

LUCE

No. 157

Editorial Note

As a result of Ambassador Luce's conversation on December 24 with Prime Minister Pella (see telegram 1983 from Rome, *supra*), the Department of State determined that the Italian Government would not accept an unconditional five-power meeting at the ambassadorial level. Action was therefore taken to implement the third phase of the plan on Trieste, namely a joint United States-United Kingdom invitation to the Yugoslav Government to meet in Washington or London as the three occupying powers in Trieste to discuss secretly possible solutions to the Trieste question. On December 28 instructions were sent to the United States Embassies in Rome and Paris that, subject to British concurrence, they were to inform the Italian and French Governments of the planned invitation to the Yugoslav Government. The Italian Government was to be told, in order that the plan appear more palatable, that the invitation was within the framework of the suggestion Prime Minister Pella had made to Ambassador Luce on December 24. The instructions were contained in telegram 2156 to Rome and telegram 2314 to Paris, December 28. (750G.00/12-2553) These decisions and developments were summarized in a memorandum of December 31 from Assistant Secretary Merchant to Secretary Dulles. (750G.00/12-3153)

No. 158

750G.00/1-454

Memorandum of Conversation, by David G. Nes of the Office of Western European Affairs

TOP SECRET [WASHINGTON,] January 4, 1954.

Subject: Trieste

Participants: Mrs. Clare Boothe Luce, American Ambassador to Italy
Mr. Julius Holmes—EUR
Mr. Walworth Barbour—EE
Mr. John Jones—WE
Mr. William Knight—WE
Mr. David Nes—WE

Mr. Holmes opened the meeting by bringing Mrs. Luce up to date on recent developments relative to our negotiations on Trieste.[1] He said that both the French and Italians were being informed today of our proposed secret meetings with the Yugoslavs and that the preliminary reaction of the French had not been too unfavorable. We were awaiting a report of Mr. Durbrow's conversation with Zoppi.[2]

Mr. Holmes then suggested that Mrs. Luce might like to give the group her observations on the Trieste issue. Mrs. Luce said she had several points she would like to make, the first and most important having to do with our tactics in dealing with the Yugoslavs in the secret talks. She thought our greatest chance of success in such a meeting would probably be gained by limiting the initial discussion to those points on which there was general agreement. First of all, we should discuss the city of Trieste, which the Yugoslavs had already conceded to be an "Italian city". This would encompass provisions for giving the Yugoslavs access to the port and certain economic and trade rights, etc. From the port, discussion should proceed to the necessity of the Italian's having land access to the city. This would involve the delineation of the coastal strip between the city of Trieste and the Italian frontier. Only when agreement had been reached on these two points would the matter of Italian minorities in Zone B and Slovene minorities in Zone A be taken up.

With regard to financial arrangements connected with the final settlement, Mrs. Luce mentioned that there might be available approximately $8,000,000 in counterpart for use in assisting the port

[1]For records of other conversations Ambassador Luce had with U.S. officials during her consultations in Washington, see vol. VI, Part 2, pp. 1648 ff.

[2]See telegram 2088 from Rome, *infra*.

of Trieste to get on its feet and to construct certain additional port facilities. Mr. Holmes asked Mr. Nes to look into the availability of these funds.

Mrs. Luce then summarized briefly the importance of the Trieste issue to Italy. She said that the October 8 decision was the source of Pella's prestige and was the principal factor enabling the formation of his government. A favorable resolution of the Trieste issue within a reasonable period of time would be very helpful to the center government, but a decision a year from now would have few advantages as far as Italy is concerned. There were two principal reasons why our failure to carry out the October 8 decision had been taken in as good grace as it had been by the Italian people. First, they attributed it to British machinations which had once again done the Italians dirt and, secondly, to the very genuine Italian fear of war with Yugoslavia. Mrs. Luce made it clear that, in her opinion, there could be no Italian ratification of the EDC until the Trieste problem was settled. Furthermore, every week of delay weakened Italy's position within NATO and her ability and willingness to cooperate in Western defense.

Should no agreement result from our secret talks with the Yugoslavs, Mrs. Luce said she thought we would have to go through with the implementation of the October 8 decision but that, in doing so, we should not employ any dramatic and sudden move but should go forward step by step very slowly, giving the Italians one position in the administration of Zone A at a time. She pointed out that if the turnover of Zone A to the Italians were thus accomplished over a long period of time no one step could be used by the Yugoslavs as justification for hostile action. At the same time, we could not be charged by the Italians with breaking our word on the October 8 decision.

Mr. Holmes pointed out that, even with such a slow step-by-step implementation, we would at some point be faced with the problem of the evacuation of US and UK forces. He asked Mrs. Luce whether she thought, when this crucial point were reached, the Italians would be willing to restrict the entry of their forces to fill the resultant vacuum to the carabinieri. Mrs. Luce said that the carabinieri were, in fact, military forces but she thought the Italians would be willing to give such an assurance. In conclusion, Mrs. Luce said that, were we faced with the $64 question of how to implement October 8, we should under no circumstances endeavor to make some sudden dramatic move nor should we appear to be confused and uncertain.

No. 159

750G.00/1–754: Telegram

The Chargé in Italy (Durbrow) to the Department of State[1]

TOP SECRET NIACT ROME, January 7, 1954—9 p. m.

2088. Limit distribution. Zoppi received me at 6 p. m. after having talked to British Ambassador to give Pella's reply to procedure which we had outlined on January 4, regarding secret soundings with Yugoslavs (Embassy telegram 2059[2]).

He explained position to me orally and handed me an informal memorandum along following lines. While the suggested United States–United Kingdom action, in a certain sense, is parallel to that suggested by Pella to Ambassador Luce,[3] it is nevertheless somewhat different. Pella proposed parallel conversations by one representative of big three, for instance Bidault to discuss separately Trieste question with Italian and Yugoslav representatives, and that if such soundings should not have favorable outcome, Italian Government expected that October 8 decision would be implemented without delay.

Anglo-American communication January 4 refers instead to a preliminary step which British and American Governments intended taking on their own initiative in order obtain a concrete indication of Yugoslav point of view "in regard to territorial aspects of the problem of Trieste" and results of step would then be given to Italian and French Governments.

Despite these differences, Italian Government appreciated Anglo-American communication and considered it to be step of friendly regard for Italy. Italian Government also appreciated recognition on part of Anglo-Americans that while ideas of Italian Government in regard to territorial problems of Trieste are perfectly clear, limits are also clear beyond which no Italian Government could accept as a solution of problem; the Allies do not have a precise indication of the point of view of Yugoslavia.

This being understood, he added, that Italian Government reserves right to consult with French Government and other two Allied governments on possibility of moving forward with full pro-

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[1]Repeated for information to London, Paris, Belgrade, and Trieste.

[2]In telegram 2059, Durbrow described his approach to Zoppi that evening with the proposal that the United Kingdom, the United States, and Yugoslavia hold secret talks regarding Trieste. Durbrow said that he pitched his approach along the lines that the U.K. and U.S. Governments had basically accepted Pella's suggestion of Dec. 24, 1953, but had gone one step further to assure that no one should call these soundings a conference. (750G.00/1–454)

[3]Pella's suggestion was reported in Document 156.

cedure proposed by Pella when Italian Government has been made cognizant of results of soundings with Yugoslavs.

Zoppi stated that Italian Government felt it might be useful to point out that based on its experience in dealing with Yugoslavs on Trieste question tactics of latter are continually to put forward vague proposals and concepts which, while at first blush, seem reasonable and promise positive developments, turn out to be quite different once they are examined closely. He suggested therefore, that it would be advisable in soundings not to accept a general formula for a solution, but to ascertain particularly in regard to territorial aspects of question, concrete information of Yugoslav point of view.

After I had expressed appreciation for favorable Italian reaction our January 4 suggestions, Zoppi expressed hope soundings would be fruitful.

DURBROW

No. 160

Editorial Note

On January 5, as a result of opposition within Prime Minister Giuseppe Pella's Christian Democratic Party to his stated intention to name Salvatore Aldisio as Minister of Agriculture, Pella presented his resignation to President Luigi Einaudi. A description of the dispute which led to Pella's resignation is in despatch 1363 from Rome, January 8. (765.00/1-854)

On January 12, President Einaudi asked the Minister of Interior in Pella's cabinet, Amintore Fanfani, to form a new government. On January 19, Fanfani announced that he had formed a cabinet composed of 18 Christian Democrats and one Independent. A memorandum of January 19 from Special Assistant for Intelligence W. Park Armstrong, Jr., to Secretary Dulles discussed the composition of and the prospects for the Fanfani government. (Italian Desk files, lot 58 D 357, "210–Cabinet")

No. 161

760G.00/1-854: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET NIACT BELGRADE, January 8, 1954—10 p. m.

839. UK instructions received late this afternoon and as instructed Deptel 800[2] UK Chargé and I saw Popovic at 1900 hours tonight, at which time we issued invitation Yugoslav Government as outlined Deptels 782 and 788, as amended Deptel 799.[3]

1. We received by Popovic and Bebler in interview which consumed about 40 minutes of which approximately half was devoted to problem of what to say to press. After proposal outlined Popovic said Yugoslav Government will study and give reply as soon as possible. He then stated he had only a few questions to put to us.

2. He asked whether fact that five-power conference could not be arranged would imply that points of substance previously raised would be foreclosed at proposed meeting. We answered this by stating that purpose of meeting would be to examine whole position and, after a full discussion of all possibilities to try to establish a realistic basis for negotiation of an equitable and definitive solution for Trieste question as a whole. Bebler also inquired if the terms of reference were limited and again we assured him re purpose of meeting.

3. Popovic asked what level of representation we proposed for meeting and we replied that decision not yet made might depend on where meeting is held.

4. Popovic then asked if we could give any indication of views of French and Italian Governments and was told that both had been informed of our intention to issue invitation but had not been consulted on any plan that might be considered by meeting. He seemed to find this satisfactory and said he would ask whether we had considered possibility of French veto if perhaps meeting could devise solution acceptable to Italian Government. We replied that speaking personally we did not think there was danger of this. Although Popovic did not so state, I am sure what he had in mind was possibility of French causing Italians to stall on EDC by utilizing Trieste issue.

5. Popovic did not raise in any manner October 8 decision or its future implementation.

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[1]Repeated for information to Rome, London, Paris, and Trieste.
[2]Not printed.
[3]None printed.

6. Questions put to us seemed to be primarily for purposes of elucidation and critical comment was absent.

7. Lengthy discussion on what to do about press developed opinion that doubtful if fact of our interview today could be kept secret. It was agreed that with five capitals involved doubtful if publicity could be entirely avoided. Although I did not refer to it, I had in mind Paris telegram 2531 to Department.[4] We therefore agreed that each of us would state merely that US-UK representatives had seen Foreign Secretary and no other comment would be given.

RIDDLEBERGER

[4]Not printed. (750G.00/1-754)

No. 162

750G.00/1-1154: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET NIACT BELGRADE, January 11, 1954—8 p. m.

851. Re Embtels 842 and 839.[2]

1. Following is text of Yugoslav Government reply handed US, UK 1800 hours January 11:

Begin verbatim text. The Government of The Federal People's Republic of Yugoslavia has been constantly making great efforts to promote the finding of an agreed solution of the Trieste problem, which would, taking into account the interests of the Trieste population, be acceptable both to Yugoslavia and Italy. It has, among other things, on several occasions pointed out that the solution of at least one part of outstanding questions could be sought through negotiation between the three governments, which have been entrusted with the mandate of temporary administration of the FTT.

The Government of The Federal People's Republic of Yugoslavia considers that the common efforts exerted during the last few months for the purpose of promoting the above aim have been useful and have brought the points of view closer, although they could not be carried into effect in the form envisaged in the course

[1]Repeated for information to London, Paris, Rome, and Trieste.

[2]Telegram 839 from Belgrade, Jan. 8, is *supra*. In telegram 842 from Belgrade, Jan. 10, Riddleberger said the Yugoslav Government had been told the purpose of the proposed meetings was not to establish a basis for either four- or five-power negotiations, but to establish a realistic basis for a settlement. Riddleberger also stated that they had proposed Washington or London as the place for the meeting, but that this had evoked no discussion and Popović had not raised the possibility of Belgrade. (750G.00/1-1054) This was in reply to telegram 807 to Belgrade, in which the Department had specifically asked whether there was any possibility Popović had misunderstood the Jan. 8 approach. (750G.00/1-854)

of this exchange of opinions. Furthermore, they have rendered possible the discerning of the [garble] which is now being proposed by the Governments of the United Kingdom and United States of America.

In view of all this, and fully realizing the importance of the improvement of Yugoslav-Italian relations and the strengthening of peace in this part of the world, the Government of The Federal People's Republic of Yugoslavia accepts the proposal of the Governments of the United Kingdom and United States of America, contained in the statement of January 8, 1954, regarding the holding of meeting of the representatives of the three governments with the purpose "to examine the whole position and, after the full discussion of all possibilities to try to establish a realistic basis for the negotiation of an equitable and definitive solution of the Trieste question as a whole." The Government of The Federal People's Republic of Yugoslavia is prepared to accept either Washington or London as the place of the meeting considering, however, that London would be more suitable for practical reasons.

The Government of The Federal People's Republic of Yugoslavia will appoint its representative as soon as the place and date of the meeting are finally agreed upon. *End verbatim text.*

2. Foreign Secretary stated that if London agreeable to all powers Yugoslav Government would designate its Ambassador in London.[3] As it would be necessary to call him back to Belgrade for discussions and instructions, Yugoslav Government thought earliest practicable date for convocation of meeting would be last week of January. Yugoslav Government would appreciate confirmation of place at earliest possible date. It would likewise be grateful for names of US and UK representatives as soon as possible.

3. Velebit will speak English and be accompanied by several experts. He will bring interpreter for verification purposes.

4. It is assumed that each representation will take its own notes and Yugoslav Government does not expect verbatim record unless others desire. Foreign Secretary thought these details, including agreed minutes, could be easily arranged at conference.

5. Popovic inquired whether we would bring British or American experts from Trieste and we replied that it was possible. He indicated they would be welcome, and it may be that Yugoslav Government desires to send some of its experts from Zone B.

6. Yugoslav Government understands necessity for secrecy, and we agreed on same answer to press re today interview as that given final paragraph Embtel 839.

7. Re Deptel 807, Yugoslav Government understands beyond any doubt that purpose of proposed meeting is not to establish basis for

[3]Vlado Velebit.

four- or five-power negotiations but to establish realistic basis for settlement.

RIDDLEBERGER

B. Negotiations in London Between the United Kingdom, the United States, and Yugoslavia, February–May 1954

No. 163

Editorial Note

Preparations for the conference on Trieste between the United Kingdom, the United States, and Yugoslavia began almost immediately after the Yugoslav Government's acceptance of the idea on January 11.

In a letter of January 12 to Julius C. Holmes of the Bureau of European Affairs, Ambassador Riddleberger said that he hoped Holmes was going to head the United States negotiating team if the talks were to take place in London, although he said he was curious as to how secrecy could be maintained if the "well-known face of Holmes appears in that city." Riddleberger indicated that the Yugoslav Government was very interested in knowing whom the United States was sending as the negotiator, because, in addition to Yugoslav sensitivity concerning rank, it wished to find out if the United States wished to make a real negotiation of the talks. Riddleberger also remarked:

"I think the Yugoslavs are vastly pleased with the proposal and want to get down to business as soon as possible. Therefore, I hope we shall come prepared to discuss with them a final solution to Trieste. They are not being sticky about the form, although they realize perfectly well that at some point we must go back to the Italians with a proposal." (750G.00/1–1254)

On January 12, Assistant Secretary Merchant wrote to the Ambassador in Austria, Llewellyn E. Thompson, and apparently raised with Thompson the possibility of his heading the United States negotiating team in the Trieste talks. No copy of this letter was found in Department of State files, but in telegram 2039 to Vienna, January 15, Merchant asked Thompson to stand by for a possible urgent request to return to Washington for consultation and the "special temporary assignment about which I wrote you Jan. 12." On January 16, the Department of State requested Thompson to return to Washington for consultation as soon as possible. He left Vienna on January 22 and arrived in the United States the following day.

In a letter of reply to Riddleberger, January 19, Holmes said that Secretary Dulles thoroughly concurred in Riddleberger's opinion

that Holmes was too familiar a figure in London to conduct the secret negotiations on Trieste and in view of the need to maintain secrecy, it had been decided to send Thompson. He also said that, because a number of Department of State officials would soon leave for the Berlin Conference, it was felt that Holmes should remain in Washington and cover that end of the Trieste negotiations. Holmes mentioned that Thompson was being called back to Washington ostensibly for consultation on Austrian matters and would use the cover story that he was stopping over in London to get some new clothes and to talk with the Foreign Office regarding Austrian matters on his way either to Berlin or Vienna. (EUR/RA files, lot 54 D 514, "Trieste, 1954")

Another reason that Holmes was not selected as the chief United States negotiator in the talks is that Secretary of State Dulles was aware, as early as September 1953, that the Justice Department was contemplating legal action against Holmes on charges of defrauding the United States Government in surplus ship transactions. Dulles, however, was able to persuade Attorney General Brownell to delay taking action against Holmes until early 1954. Memoranda of telephone conversations between Dulles and Brownell regarding Holmes, on September 11, October 5, and November 2, 3, 19, and 20, 1953, are in Eisenhower Library, Dulles papers, "Telephone Memoranda—General." On February 23, 1954, the Department of Justice announced that Holmes, along with 17 other persons and 7 corporations, were being charged with defrauding the United States Government in surplus ship deals. Holmes had been given advance notice that he was to be indicted and had written to Under Secretary Smith on February 18 saying that he had done nothing illegal or improper. However, he expressed his belief that it was not in the interest of the United States Government for him to continue at his post. On February 23, the Department of State announced that Holmes had been granted a leave of absence. (*New York Times*, February 24, 1954, pages 1, 15)

There was also considerable discussion among the three participating countries as to which city would be the best location for the talks. The Department of State preferred to hold the talks in Washington rather than in London because it believed that there was a better chance for secrecy in Washington, the Yugoslav Ambassador in London held extreme personal views on the Trieste issue, and an agreement worked out in Washington would be easier to present to the Italian Government than one worked out in London. (Telegram 811 in Belgrade, January 12; 750G.00/1-1154) The British Government agreed with this preference. However, the Yugoslav Government indicated its preference for London because of practical considerations of proximity and travel, its belief that

Ambassador Velebit was better informed on the Trieste issue than Ambassador Vladimir Popović in Washington, and the fact that Ambassador Popović was planning to leave Washington in March as a result of his election to the Federal Assembly. (Telegram 863 from Belgrade, January 15; 750G.00/1-1554) On January 16, in telegram 825 to Belgrade, the Department of State expressed its approval for London as the site of the talks and suggested February 2 as the opening date. (750G.00/1-1554) On January 18, in telegram 870 from Belgrade, Ambassador Riddleberger said that the Yugoslav Government had accepted the February 2 date. (750G.00/1-1854)

No. 164

750G.00/1-2754: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, January 27, 1954—7 p. m.

898. Re Leverich letter January 14.[2]

1. Hopeful when Three-Power Conference agreed it could be utilized to alleviate Yugoslav Government impression that US-UK always inclined support Italian position and that conference would consider Yugo case an attempt to reach fair compromise in which Yugoslav Government could later claim it participated. This is fundamental political aspect which cannot be disregarded if we want settlement intended to remove Trieste friction in Italian-Yugoslav relations and to enable common defense planning to go forward.

2. Byington plan, if advanced initially, might defeat very purpose of conference as it provides for an ethnic solution of Italian claims in Zone B but fails to offer some ethnic solution for Slovenes in Zone A. In compensation for this disregard of ethnic principle applied to Zone B, plan offers only leased railroad and leased port facilities for Yugoslav Government in Zone A. This approach would

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[1]Repeated for information to Trieste.

[2]Reference is to a letter from Leverich to Riddleberger, in which Leverich asked for comments on three attachments: (1) a letter of Jan. 8 from Holmes to Higgs, (2) a copy of a paper prepared by William E. Knight, Nov. 16, 1953, entitled "Suggested Territorial Adjustments Between Zone A and Zone B of the Free Territory of Trieste" (these suggested adjustments were known as "the Byington Plan"), and (3) a draft memorandum from Barnett to Holmes, Jan. 8, regarding economic aspects of the Trieste situation. (Belgrade Embassy files, lot 56 F 166, "Memoranda & Letters") Higgs' response to Holmes' letter of Jan. 8, with Knight's paper and Barnett's memorandum as attachments, was transmitted in telegrams 920 and 932 from Trieste, Jan. 19 and 22. (750G.00/1-1954 and 750G.00/1-2254)

certainly be regarded as having an Italian label and we strongly urge that it should not be advanced as an initial position.

3. Re port area, we are not certain from map precisely what is involved but are not hopeful that this proposal will appeal to Yugoslav Government which will probably want port of its own, particularly if territorial arrangements of Byington plan are pushed by US–UK. We believe here that for the future prosperity of Trieste, Yugoslav Government should be encouraged to make greater use of Trieste port facilities but do not believe they will do so under proposed leasing arrangements.

4. Strongly approve idea set forth in paragraph 3 of Byington plan and hope it will be advanced at some stage during conference.

5. I have been unable to obtain from Yugoslav Government officials any indication of how they will approach meeting. Bebler inquired whether we would come with fixed plan which we would urge to which I replied that basic idea of conference was to examine any proposals for a settlement and that we naturally hoped Yugoslav Government would come prepared to present its ideas. I am doubtful if we shall obtain indication of any Yugoslav Government proposals before conference as Bebler has not taken advantage of several opportunities to discuss these matters.

6. We are sending briefing book to London which includes comprehensive economic information.[3]

RIDDLEBERGER

[3]Riddleberger sent three copies of the briefing book on Trieste as enclosures with his letter of Feb. 3 to Thompson. A copy of this letter is in file 750G.00/2-354.

No. 165

750G.00/1-2854

The Acting Secretary of State to the Ambassador in Austria (Thompson)[1]

TOP SECRET WASHINGTON, January 28, 1954.

MY DEAR MR. AMBASSADOR: As United States representative at the United States–United Kingdom–Yugoslav discussions on Trieste in London, your mission is to work out if possible a permanent

[1]Although this letter was addressed to Thompson at the Embassy in Vienna, it was presumably handed to him on Jan. 28 while in Washington for consultation just prior to departing for London for the negotiations on Trieste. In an interview in November 1971, Thompson characterized these instructions as "hopeless" since they were basically favorable to Italy and did not give room to negotiate with the Yugoslavs. (Campbell, *Successful Negotiation*, p. 26)

settlement of the Trieste problem that will be acceptable to both Yugoslavia and Italy, and that will contain the minimum seeds of future controversy.

You should be guided by the following principles in conducting the negotiations:

1. We want to put the Trieste problem in the larger context of an over-all Italo-Yugoslav *rapprochement* which, ideally, would lead ultimately to Italian membership of, or association with the Turkish-Greek-Yugoslav defense pact.

While it is not the purpose of this paper to suggest negotiating tactics, we believe that the United States–United Kingdom should make clear at the outset that they are not thinking in terms of a local settlement, or even of Italo-Yugoslav relations alone, but rather of the political, military, and economic health of a key area which will have great significance for all of the free world and for the world-wide effort to throw back Soviet expansion. The implications of a failure to find a mutual accommodation between powers which are or should be destined by geography and strategy to be close partners if Soviet expansionism is to be successfully resisted in their parts of the world, are of a very serious character. On the other hand, the benefits of a successful settlement would be very great. There is no form of pressure against the Soviet system so powerful or so effective as the demonstration of unity among countries of the free world, and there is no part of the free world, except for the relations between France and Germany, where that demonstration would have more profound significance in the eyes of the Kremlin than in the area of Yugoslavia and Italy. And there is nothing so infectious as the force of example. We are therefore seeking a "package deal" which would put Italo-Yugoslav relations on a permanently sound basis. We believe also that a package deal will enable both parties to accept sacrifices in a Trieste settlement that neither could accept if the deal were narrowly confined to the Trieste problem.

The United States–United Kingdom should also make clear at the outset that when they made their October 8, 1953 declaration they had reason to assume that it would be acceptable to the Yugoslavs. If it seems desirable, they may wish to point out that Tito in his September 22, 1952 interview with Eden actually said that he could accept a division along the lines of the present zonal boundaries. Admittedly the United States–United Kingdom did make an error of judgment, but the fact remains that the present situation is in large measure the responsibility of all three of the occupying powers, as it is certainly in the interest of all three of them that a permanently acceptable solution be reached. However, the United States–United Kingdom have refrained from putting the October 8

declaration into effect, on the principle that the best solutions are agreed ones. At some point during the discussion it may become necessary, perhaps through different channels, to make known to the Yugoslavs that they can hardly expect to reject an agreed solution without putting the United States-United Kingdom in a position where they would have no recourse but to go back to the October 8 declaration. The United States-United Kingdom cannot be expected to withdraw the October 8 declaration, except on the basis of a generally acceptable alternative.

A package settlement might include:

(a) Reciprocal guarantees of minority rights.

(b) A broad trade agreement which would substantially increase Italo-Yugoslav trade, with suitable clearing arrangements. There should also be economic arrangements which would encourage Yugoslav purchases of the products of Trieste industry and the maximum Yugoslav use of Trieste facilities, in addition to any area of the port where they may have special rights. A fishing agreement might be included.

(c) Military cooperation, including if possible early staff talks.

By a "package deal" we do not of course mean a single document or one agreement, but rather a series of agreements.

2. We want so far as possible to draw an ethnic line which will give the Italians a continuous coastal strip including Capodistria, Isola, and Pirano, but which would so far as possible avoid giving detached enclaves to either in the territory of the other (suitable guarantees of minority rights must take care of such groups).

3. The Yugoslavs should have a suitable area in the port for their exclusive use with secure access to it by a rail link over which they would have an assured right-of-way and right-of-maintenance. We would not exclude the cession of a port area and a "corridor" to the Yugoslavs if it seems essential to the success of the negotiations, but would hope that the exclusive use of a suitable area, together with a rail link, could be arranged on a lease basis (say, for 99 years). The port area should be sufficiently advantageous to encourage Yugoslav use of it, with facilities for economic turn-around of ships, and suitable warehouse, processing, and switching space. The possibility of United States assistance out of Trieste counterpart funds, if necessary to create a suitable area with adequate rail access, should be considered.

4. If a basic tripartite understanding for the settlement of the Trieste problem were reached, the so-called Pella proposal would then be brought into operation, by asking for an Italian representative to come to London, or elsewhere, if circumstances should make a change of venue desirable. He would not, of course, be presented with a *fait accompli*, but it is believed that the Italians have given

sufficient indication that they could accept a settlement along the lines described in this paper to justify the three occupying powers in agreeing *ad referendum* on the essentials of a settlement before the Italians are brought in. The final agreement might be applied by the three powers, as occupying powers, redefining the Zone boundaries, the Yugoslavs might then annex the newly defined Zone B, and Zone A might concurrently be turned over to the Italians on the assumption that after holding it for a token period they might annex it.

5. The United States-United Kingdom should hold to the position that the Yugoslavs cannot claim the right to do as they want in Zone B without conceding the United States-United Kingdom right to dispose of Zone A as they deem appropriate. With that understanding, we should indicate that we are prepared to discuss with them any proposals they may wish to make.

6. The United States-United Kingdom should discourage any Yugoslav proposal for "autonomy" for Zones A or B or any parts of them, as creating a situation without sufficient assurance of stability to be in the interest of either Yugoslavia or Italy. You should endeavor to persuade the Yugoslavs that their preoccupations concerning the Slovene minority in Italian territory can best be satisfied by a firm and explicit agreement on minorities.

Sincerely,

W.B. SMITH

No. 166

750G.00/1-2854: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET ROME, January 28, 1954—8 p. m.

2283. Limit distribution. Del Balzo and Casardi told Durbrow today that Italian Government desired to reiterate its basic position regarding the coming soundings with Yugoslavs on February 2.

Del Balzo stated he hoped US Government clearly understood that, as had already been explained in Embassy telegram 2088 January 7,[2] Italian Government reserved the right to consult with the French Government as well as US and UK Governments after the Italian Government had been informed of the results of these soundings. In other words, Italian Government wished to be in a

[1]Repeated for information to London, Paris, Belgrade, and Trieste.
[2]Document 159.

position to express its opinion as to what it felt should be done after the result of the soundings are known, and it should be in a position to express its opinion whether it considered it possible to move forward with the full procedure proposed to me by Pella on December 24 (Embassy telegram 1983 December 24[3]).

Durbrow stated that this point of view of the Italian Government had already been made clear to the Department. Nevertheless, Del Balzo stated that he wished particularly to reiterate the point.

LUCE

[3]Document 156.

No. 167

Editorial Note

In the hope that the meetings in London could be kept small and informal, the United States selected four people, in addition to Ambassador Thompson, to comprise the United States Delegation. They were Major General Clyde D. Eddleman, Philip Mosely, Raymund Yingling, and Leonard Unger, who were to attend meetings only as required. The five members of the United States Delegation left the United States on January 29 and traveled separately to London, arriving the following day. A copy of the terms of reference and instructions for Major General Eddleman, signed by Vice Admiral A.C. Davis and dated January 26, is in file 750G.00/1–2654. The British Government selected G. W. Harrison, Assistant Under Secretary of State, to head its delegation. Harrison was assisted by Nicholas J.A. Cheetham and John O. Wright of the Foreign Office. The Yugoslav Delegation was headed by Vladimir Velebit, Ambassador in the United Kingdom, and assisted by Bogdan Orescanin, Military Attaché in the United Kingdom; Janvid Flere, Counselor of Embassy in the United Kingdom and an economist; and Vlado Seston, a secretary.

Following its arrival in London, the United States Delegation met with the United Kingdom Delegation on January 31 and February 1 to discuss tactics and objectives for the talks. Memoranda of their conversations on January 31 and February 1 were sent to the Department of State as attachments to despatches 2615 and 2630 from London, February 1 and 2, respectively. (750G.00/2–154 and 750G.00/2–254)

The talks opened on the afternoon of February 2 with a meeting of the full delegations of the three countries. The meeting was devoted largely to a discussion of procedure, as the representatives

agreed to meet daily and keep the meetings informal without agreed minutes. The respective heads of the three delegations—Harrison, Thompson, and Velebit—also made general introductory statements. This meeting was briefly described in telegram 3294 from London, February 2. (750G.00/2-254) Subsequent meetings of the full delegations were held on February 3, 4, 5, 8, and 9. Informal but detailed notes by Leonard Unger on the February 2, 3, and 4 meetings were sent to Holmes as enclosures to a letter from Thompson, February 9. (750G.00/2-954) Unger's notes on the meetings held on February 5, 8, and 9 were sent as enclosures to his letter of February 15 to Hooker. (750G.00/2-1554)

In an interview in November 1971, Thompson recalled that all three countries had "high-powered delegations" and that the Yugoslav negotiators opened with long statements of their claims, which were polemical and quite clearly for the record. The chief Yugoslav negotiator, Velebit, said in an interview in January 1972 that "we had to fire off the so-called *baroud d'honneur.*" Admitting that this was rather repulsive for him to do, Velebit said that he had instructions from his government to demand the whole Free Territory of Trieste. The whole first week, he recalled, was spent in the Yugoslav negotiators trying to present their full case, and Velebit was certain that Thompson and Harrison understood that it was "a method of letting off steam." (Campbell, *Successful Negotiation*, pages 26, 94-95)

No. 168

750G.00/2-1054

Memorandum by the Acting Assistant Secretary of State for European Affairs (Bonbright) to the Acting Secretary of State[1]

TOP SECRET [WASHINGTON,] February 10, 1954.

Subject: Progress of US-UK-Yugoslav Talks on Trieste

The first week of meetings was taken up mostly by an extensive review of the Yugoslav point of view on the historical, economic, ethnic and military background of the Trieste problem. Velebit has shown reluctance to get down to cases, apparently on the assumption that the present talks are intended only to reach agreement in principle, leaving substantive details to be negotiated with the Italians, and not wishing to compromise his negotiating position with the Italians. Thompson and Harrison (the UK representative) are

[1]Drafted by Holmes.

resisting his efforts to draw them into the position of speaking for the Italians.

At the fifth meeting (February 8) Velebit put forward the first concrete Yugoslav proposal, most of the conditions of which Thompson characterizes as "clearly unacceptable". It calls for an internationally guaranteed autonomous status for the City of Trieste, compensation for undefined Yugoslav economic losses apparently since 1922; the whole of Zone B, and presumably the balance of Zone A, to go to Yugoslavia. Thompson considers the opening gambit is out of deference to the position taken by Tito in a recent speech and intends, after pointing out how counterproductive it would be for lasting Yugoslav-Italian relations to try to move on to the examination of more acceptable positions taken by the Yugolavs in the past.

Clearly Velebit is trying it on for size and the talks have not yet produced a basis for real negotiation.[2]

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[2]Bonbright also briefly reviewed the progress of the negotiations in London at the Acting Secretary's staff meeting the morning of Feb. 10. According to the memorandum of conversation at this meeting, Smith told Bonbright that the U.S. negotiators should be advised that if the oil refinery located in Trieste became the issue of whether or not an agreement could be reached, the United States was in a position to assure Yugoslavia that it would build another refinery for Yugoslavia. Smith said that it was a small refinery and that the United States was willing to pay for an agreement. (Secretary's Staff Meetings, lot 63 D 75, "February 1954")

No. 169

750G.00/2-1654

The Chief United States Negotiator in London (Thompson) to the Deputy Assistant Secretary of State for European Affairs (Bonbright)

TOP SECRET LONDON, February 16, 1954.

DEAR JAMIE: Just a line to let you know that the British military have pointed out to General Eddleman that General Winterton is due for retirement and that while they might be able to keep him on a month or two if an agreement on Trieste were in sight, they are anxious to proceed with his retirement. They suggested that it was our turn and wouldn't we like to designate someone to replace him. When Bob Murphy and I saw Eddleman in Washington Bob expressed the opinion that it would be a good idea to get General Winterton out as he has certainly aggravated the Italians and as you know, despite instructions from the Combined chiefs, he continues to plan in the event of a settlement to have British and

American troops virtually sneak out in the middle of the night. I feel and I believe General Eddleman agrees that it would be fatal for us to get saddled with the responsibility there, at least unless an agreement were absolutely certain and when you are dealing with Italians and Yugoslavs such a situation in my opinion will never occur since one or the other is capable of kicking over the traces at the last moment. If we ever get stuck with the Command, I think there is real danger of the British running out on us just as they did in Austria. Since Bob seemed to feel strongly about Winterton, I wanted to put in this word of warning and you are, of course, free to pass on this letter to him if you think it wise.

This has been and is a tedious business and we still cannot judge whether the Yugoslavs really want an agreement, although in my opinion they do and I believe we can succeed provided we can agree on some reasonable outlet to the Gulf of Trieste. It may depend, however, upon the willingness of our military or the Secretary to make plain that failure to agree will have serious consequences, particularly with respect to our aid program. General Eddleman has been splendid in helping me gently convey this idea and if we accomplish nothing else here I feel certain that we have at least convinced the Yugoslavs that our interest is in a settlement of this problem because of the wider issues at stake and not just some maneuver in an Italian game.

[Here follow personal remarks.]

Best regards to Johnny, Wally[1] and yourself,

LLEWELLYN E. THOMPSON

[1]References are presumably to John Wesley Jones and Walworth Barbour.

No. 170

750G.00/2-2554

The Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Chief United States Negotiator in London (Thompson)

TOP SECRET WASHINGTON, February 25, 1954.

DEAR TOMMY: Thanks for your letter of the 16th[1] with the tipoff of what the British are trying to do with regard to General Winterton's successor.

All of us here agree very strongly that we should not permit the British to unload on us the responsibility for taking over the com-

[1]*Supra.*

mand in Trieste at this time. I mentioned the matter to General Eddleman yesterday when he was over giving us a firsthand account of your trials and tribulations and he seemed equally solid on the issue. I also spoke to Bob Murphy about it.

We are not quite so solid on the question whether Winterton should remain or should be allowed to turn over to another Britisher. In EUR we feel that it would be a mistake to have any change in the Trieste command at this time. Bob Murphy feels less strongly about this and General Eddleman seemed to think that there was another British General (I think the head of their G-2, but I didn't catch the name) who could take over without any difficulty. However, I am less worried about this aspect of the problem and if the British are adamant on retiring Winterton I suppose we could yield on this as long as we remain firm that his successor will continue to be a Britisher and not an American.

We got the impression from General Eddleman that you might feel there was a lack of appreciation here of the difficulties of your negotiating position. I can only assure you that this is not the case and that we realize only too well what a tough position you are in, particularly in the light of the tactics which Velebit has been following. I only hope that the material which we have been sending you in the last few days and which will permit you to be more forthcoming in the way of exploring more concrete positions with the Yugoslavs will be helpful.

I wish I could be more optimistic concerning the prospects for your resumption of a normal home life but in all honesty I don't see how I can.

As you probably know, Julius' difficulties emerged into the open on Tuesday.[2] There is no way of knowing how soon they will be resolved or what the upshot will be. In the circumstances any hope that he might be able to relieve you now seems extremely remote so that the question hinges pretty much on how rapidly progress can be made in reaching a position with the Yugoslavs which we would feel justified in trying to sell to the Italians.

Best regards.

As ever,

JAMIE

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[2]Reference is to the announcement on Tuesday, Feb. 23, that Holmes had been charged by the Justice Department with defrauding the U.S. Government in surplus ship transactions. See Document 163.

No. 171

750G.00/3-854

The Chief United States Negotiator in London (Thompson) to the Counselor of Embassy in Yugoslavia (Wallner)

TOP SECRET LONDON, March 8, 1954.

DEAR WOODY: I delayed answering your letter[1] in the now absurd expectation that events would have overtaken anything I could write. I hope I never have to see your clients again if ever this exercise is over, but I am sure it has been worthwhile to have given them a fair hearing no matter how the business eventually turns out.

The idea of an appeal to Tito was never based on any assumption of a difference between Velebit and his boss, but rather that Tito could scarcely fail to be affected by a personal appeal from Mr. Dulles or the President, whereas it's quite easy for them to go on making ridiculous proposals to me. I am still optimistic and read the Yugoslav tactics to mean they do wish to settle this question, but I must admit there are few signs of it so far. After five weeks of negotiation they are still asking for us to settle virtually every question they have ever had at issue with the Italians in their favor, as well as sticking on an impossible territorial solution. By about the time you get this it might be helpful if you would indicate that we have about concluded they are not serious in these negotiations. You can tell from our cables what the situation is. If we do get deeply into the economic field, it will be necessary to have all the material possible on the present status of Italo-Yugoslav economic and financial relations. All we have apart from your briefing book is one short despatch from Rome. Any background material on the status of the facilities agreement, Italian claims against Yugoslavia, etc., would be helpful. It is difficult for Rome to get this kind of material without revealing what is up.

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[1]Reference is presumably to a letter of Feb. 23 from Wallner to Thompson, in which Wallner had commented on some of Thompson's statements in his cables from London. Wallner had doubted the value of Thompson's suggestion of making a direct appeal to Tito, saying that "these people work as a team, and there is no basis in human experience to expect the captain of the team to throw away the game." Wallner had added that this did not mean that a fair but difficult proposal should not be brought directly to Tito for decision, but it did mean that Tito should not be expected "to swing at balls which the bleachers can see are high and outside, particularly if his teammates have wisely let them go by." On another question, Wallner had said that he was unclear as to the meaning of Thompson's references to new factors that had developed since Oct. 8 which had now made it less risky to implement the Oct. 8 decision. (750G.00/2-2354)

All the best to Jimmy and yourself,[2]

LLEWELLYN E. THOMPSON

[2]In his reply of Mar. 16, Wallner did not comment further on the points Thompson had made. He congratulated Thompson for his patience and ingenuity in an extremely difficult job and indicated that the Embassy in Yugoslavia was "ready to get in the act whenever you wish, but not, of course, before that time." (750G.00/2–1654)

No. 172

750G.00/3-954

The Counselor of Embassy in Yugoslavia (Wallner) to the Chief United States Negotiator in London (Thompson)

TOP SECRET
OFFICIAL–INFORMAL

BELGRADE, March 9, 1954.

DEAR TOMMY: The Foreign Secretary gave a party last Friday for Chiefs of Mission which I attended (subbing for Jimmie who is still in Geneva)[1] and where I listened at some length to Brilej, Bebler and Djerdja expatiating on the talks in London. In the usual aggressive Yugoslav way they all professed great disappointment at the way the talks were going and discouragement as to the possibility of a settlement emerging. Both I and they carefully avoided getting down to points of substance, but I got plenty of atmosphere.

I opened by complimenting them on the skillful and dispassionate way in which, to judge from your reports, Velebit had presented the Yugoslav case. I am sorry to report they did not return the compliment, charging that you and Harrison had only one touchstone, which was acceptability to the Italians, and practically accusing you of political obtuseness in not understanding that Marshal Tito simply could not accept something which could not be demonstrated as an improvement over the October 8 decision. Brilej said that Tito was particularly indignant that after weeks of conversation you should have calmly proposed Molo Five, which he thought he had convinced the Americans last May was totally unacceptable and which any child could see was much worse than October 8. (There were, of course, overtones here reflecting on my own professional capacity for incompletely or inaccurately reporting their rejection of the May 7 proposal, but I am used to being cudgeled by the Yugoslavs on Trieste and really don't mind except that I do wish you would stop referring to what happened on May

[1]The party took place on Mar. 5 and Ambassador James Riddleberger did not return to Belgrade until Mar. 8. He had been in Geneva on personal business.

7 as the "Wallner proposal".) Bebler's theme is that whereas Tito must have something better than October 8, the Italians can take something less since there was dancing in the streets of Rome whereas I myself was witness to the angry mobs of Belgrade. This is largely poppycock.

Underneath this clamor I detect worry and a real desire to find a solution, if not at London, at least in the near future. I do not agree with the British that the Yugoslavs are trying to avoid a settlement and keep the question open. It is, of course, most elementary that after defying the United States and Britain in October, Tito cannot accept something that he cannot make look better to party and public opinion than our announcement of the 8th. It is also obvious that the Italians must be able to point to some sort of an improvement, and one, two or three of the Istrian towns would seem to be the key to that. As I implied in a cable the other day, it seems to me that we should be prepared to go to the Italians with not one but perhaps two or three alternatives and let them be responsible for determining the relative cost and value to them of these alternatives. How are you or I to know precisely what Capodistria or Isola or Pirano mean to the Italian parliament, and why should we assume that responsibility, especially in view of the Yugoslav conviction that we do not submit to severe analysis Italian assertions regarding the impact of the Trieste problem on Italian domestic politics? While they are no doubt wrong about our gullibility, they have got to be convinced that the Italians have been pushed back to their last position. Since they cannot be convinced by sitting across the table from the Italians, and are obliged under the present procedure to rely on us as intermediaries, the best we can do is to present more than one alternative. As we discovered last May and last October, "take-it-or-leave-it" didn't work in Belgrade. Now that we are reversing the process, why assume that take-it-or-leave-it will work in Rome?

I am sending a copy of this to Bob Hooker.[2]

Best to you,

WOODIE

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[2]In a letter of Mar. 19 to Hooker, a copy of which he also sent to Wallner, Thompson said that he was very much disturbed by Wallner's letter of Mar. 9 and by telegram 4586 to London, Mar. 8. (750G.00/3-854) Thompson said that this telegram seemed to reflect the feeling that Thompson was being tougher with Velebit than was justified. He thought that there was no reason for the United States to be defensive since the Yugoslav proposal had been put forward with what had then been "an outrageous list of conditions." Although Thompson admitted that he was "probably getting unduly touchy as a result of this frustrating business," he expressed his belief that in the end the negotiations would be successful. (750G.00/3-954)

No. 173

601.6811/3-1154

Memorandum of Conversation, by the Chief of Protocol (Simmons)

CONFIDENTIAL [WASHINGTON,] March 11, 1954.

Subject: Farewell Call of the Yugoslav Ambassador on the President

Participants: The President
The Ambassador of the Federal People's Republic of Yugoslavia
John F. Simmons, Chief of Protocol
Dr. Mirko Bruner, First Secretary of the Embassy, Interpreter

His Excellency Vladimir Popović, Ambassador of the Federal People's Republic of Yugoslavia, called, by appointment, on the President at 2 p.m. today for the stated purposes of (1) saying goodbye and (2) presenting to the President a bronze equestrian statue, an original of the larger one to be given later to the United Nations. Certain aspects of the conversation, as set forth below, seem to be worthy of particular note.

The Ambassador's first point was an assurance of a continuation of the feeling of friendship by the Yugoslav Government and people toward the United States. He emphasized the point that this feeling is a very real one. He then stressed the gratitude of Yugoslavia for all the assistance, material and moral, which the United States had given to his country at a time of dire need. This, he said, would never be forgotten.

The President said that, although Americans do not favor Yugoslavia's form of Government, the Ambassador must realize, from his four years here, that the American people are truly friendly and that this feeling applies in strong measure to Yugoslavia. He said that we appreciate particularly the brave action of Yugoslavia in showing its independence of the Soviet Sphere.

The Ambassador then said that this was true and that we could view with the utmost confidence the very real break from the Comintern which occurred in 1948. He described this as a real people's movement, and said that the whole nation was solidly behind Marshal Tito in this action. He said that a recent manifestation of Yugoslavia's being in the anti-Comintern group was its action in signing pacts of friendship and cooperation with Turkey and Greece. He then said that Yugoslavia would like to continue this policy further by taking similar action with Italy. Here the stumbling block had been the difficult Trieste question. At this point he

somewhat emotionally described the efforts for conciliation on the part of his own country and the intransigeant attitude of Italy. He asked what could be more fair than Yugoslavia's conceding the whole City of Trieste to Italy and only demanding certain areas and towns of pure Slavic population in Zone B. Yugoslavia, he said, places great importance on the amicable settlement of this thorny problem. He asked the President to mediate, if possible.

The President said that solving the Trieste problem is vital. If that could occur, he said, we would have a solid defense ring, starting with Turkey and Greece, and carried forward without a break through Italy. This, he said, would be a tremendous deterrent to Soviet aggression and would thus have great stabilizing influence on the world situation. He stood ready, at any time, to do anything he properly could to bring about a solution. He added that the problem is a two-way affair, and that both sides must approach it in a spirit of conciliation. We in America could not be expected to judge the rights and wrongs of each contentious point, but we could and would lend our good offices, where possible, to effect a solution through fair compromise. Such a solution, the President said, is very close to his heart and he hopes fervently that it can be reached through frank and conciliatory discussions by both parties.

The Ambassador then said that he had to bring up one more question, although he did so with some embarrassment. This was the continuance in the future of our aid to Yugoslavia in the form of two things (1) military assistance and (2) grants of wheat. These two questions were as important now as they ever were before, he said, and he hoped that they would be acted upon by us in the same generous spirit as previously.

The President said that the Ambassador could count on our continued friendship toward his country. The last question was of an intricate technical nature and would of course be studied sympathetically. The Ambassador mentioned that he would take this question up in more detail in his forthcoming conversation at the Department with General Smith.[1] The President said that after this conversation had occurred he would call upon General Smith for a full discussion of it and that then the question of how to meet Yugoslavia's wishes would be worked out with all possible regard to our wish to adopt both friendly and reasonable solutions.[2]

The Ambassador expressed himself as deeply appreciative of the President's friendly reception and as a devoted friend of the American people as he returned to his own country.

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[1]This conversation has not been further identified.

[2]No record of such a conversation between Eisenhower and Smith has been found in Department of State files or at the Eisenhower Library.

No. 174

Editorial Note

The private discussions which Ambassadors Harrison, Thompson, and Velebit began in late February increasingly centered on specific territorial, economic, and political aspects of a possible package settlement. Regarding the territorial aspect, the initial Yugoslav position was that Yugoslavia should receive a strip of land from the coast to Bassovizza in Zone A, but that no territorial adjustments should be made in favor of Italy in Zone B.

In a lengthy meeting on March 17, however, Velebit accepted a United Kingdom–United States counterproposal on the territorial question, which would be part of the following package proposal the three Ambassadors were to submit to their respective governments for their approval:

(1) Yugoslavia to receive the Bassovizza strip in Zone A, Italy to benefit from a rectification of the zonal boundary in her favor in the Muggia peninsula,

(2) Italy and Yugoslavia to conclude a minority statute on the basis of reciprocity,

(3) The United Kingdom and the United States, and perhaps France, to issue a declaration of non-support of further territorial claims,

(4) The United Kingdom and the United States to attempt to obtain from Italy agreement to conclude within several months a lump-sum settlement of outstanding financial and economic questions,

(5) The United Kingdom and the United States to attempt to obtain Italian acquiescence in having the Allied Military Government approve the establishment of a Slovene credit institution and one or more cooperatives,

(6) The United States and the United Kingdom to provide economic assistance for port and railroad construction (Thompson had told Velebit at this meeting that it would pose a problem if the United States appeared to be buying the settlement; he therefore suggested that United States aid be confined to an amount which could merely be added to United States economic aid without being conspicuous. Harrison had later told Thompson that he had raised this issue Eden, who said it would be difficult for Great Britain to provide economic assistance, but that the British Government hoped to be able to furnish an additional one million pounds in economic assistance. Thompson told the Department of State that he guessed $20 million of United States additional economic assistance would satisfy Yugoslavia, "particularly if we could hold out hope of some further assistance in future years.")

(7) The United Kingdom and the United States to explore with Italy the possibility of autonomy in Zone A, by which the Yugoslav Government meant a large measure of local government which would make it possible for the Trieste administration to work out

an arrangement which would insure full use of the city and the port.

Velebit also pressed for the establishment of a port authority for the free port and said he would present a more precise idea of this in the near future. After discussing all the conditions, Velebit said that the Yugoslav Government wished to go to its maximum position before the United Kingdom and the United States presented the package to Italy on the understanding that the two countries would press the solution on Italy. Thompson replied that he felt that the two countries could go quite far in pressing the territorial solution on Italy, but he pointed out that he could not undertake to insist upon many of the Yugoslav conditions or even reach a firm decision about some of them until the Italians had been consulted.

Thompson informed the Department of State that he was optimistic Yugoslavia would agree to the Muggia peninsula rectification and that he expected a reply by March 19. If Yugoslavia accepted, Thompson asked whether the Department considered it worthwhile to explore with Velebit which conditions Yugoslavia would drop if Italy agreed to the Bassovizza proposal. He also expressed his belief that the matter could not be brought to a head until the United States could give at least a rough indication of the magnitude of the economic aid. (Telegram 3990 from London, March 17; 750G.00/3–1754)

In telegram 4848 to London, March 18, the Department of State reported it was most gratified at the encouraging progress reports from Thompson. It expressed its approval of the proposal for a settlement as Thompson had outlined it and indicated that it would support the proposal with the Italians. The rest of the telegram was devoted to specific comments on the various points in the proposal. (750G.00/3–1854)

No. 175

Luce files, lot 64 F 26, "Letters, 1954"

The Ambassador in Italy (Luce) to the Secretary of State[1]

TOP SECRET EYES ONLY PERSONAL

ROME, 18 March 1954.

DEAR FOSTER: When I had the honor and pleasure of seeing the President and you in early January, there seemed much reason to

[1]In telegram 2800 from Rome, Mar. 18, eyes only for the Secretary, Luce wrote that in view of rapid developments in the Trieste negotiations in London, she hoped

Continued

hope that the Trieste question would be settled by this time. But judging by the frustrating news from our team of Trieste experts in London who have been talking with Tito's Velebit, any hope of a settlement in the near future seems to have gone aglimmering.

Nevertheless, there are appearing in many sections of the American press happy expressions of confidence in the ability of the Scelba government not only to survive, but to retrieve the disaster of the June 7th elections, turn back the constantly rising tide of Communism, and ratify EDC this spring.

As you are aware, in view of the painful status of the Trieste question nothing could be sillier than these rosy expectations.

You will remember that on November 3, 1953, I sent you a memorandum on the Italian situation.[2] Its main argument remains valid: in the absence of large U.S. aid programs, the only effective delaying political action we can take to prevent the further disintegration of democratic pro-West forces and the forward march of Communism in Italy is to settle the Trieste question.

If the U.S. fails to take a decision on implementing October 8th, or to come up with a better solution soon, and if the N.S.C. continues to underestimate the increasingly aggravating and melancholy effect this will have on Italian Democracy, then I see little hope of escape from the logic of the following analysis:

This continued failure will once again bring down an Italian government, further weaken the NATO structure, damage the chances of passing EDC beyond repair, and advance the fortunes of the Kremlin Left here.

If this unhappy train of events should be recorded as the actual history of 1954, it will one day be judged to be all the more tragic because it is not necessary. For Italy has resources, political, economic and spiritual which can still be mobilized to make her a firm, strong, even prosperous ally of the West.

Bearing in mind your own and the President's great and immediate concern with the passage of EDC in Italy, may I describe to you the condition of the present Italian government as I see it, and especially what you may expect of it, in relation to EDC.

Unless Scelba (a) should choose to resort to strong arm measures and engineer himself into a "democratic dictatorship," or (b) is

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that Dulles would not approve any firm U.S. position until he had a chance to read her personal eyes only letter to him, dated Mar. 18, which she said had left by pouch earlier in the day and would probably reach Dulles by Mar. 22. (750G.00/3–1854) A copy of Luce's Mar. 18 letter to Dulles was sent to Thompson as an enclosure to a letter from Hooker, Apr. 2. (750G.00/4–254)

[2]For this memorandum, which Luce also sent to President Eisenhower under cover of a letter of Nov. 3, 1953, see vol. VI, Part 2, p. 1631.

saved by a favorable Trieste solution, Scelba (like De Gasperi, Pella and Fanfani before him) will sooner or later fall.

The parliamentary majority of Scelba's "Center" Coalition is perilously slim. The Coalition itself is a mare's nest of personal political animosities, ambitions and contradictions. Its anti-Communist and economic programs are caught in the riptide of its own left and right currents. Fresh out of large scale U.S. aid, it has neither the public nor party resources to push through large vote-getting economic-reform or welfare programs, and at the same time defend the lira and maintain its NATO goals. It is under unremitting pressure both from within and from without to widen its parliamentary base either in the direction of the Fascist-Monarchist Right or the Pro-Cominform Left. Its leading figures (Pella, Gronchi, Fanfani, Pacciardi, Saragat) tear themselves and one another apart, trying to determine which course presents the lesser risk, and if Scelba falls, who should succeed him. Its old master, De Gasperi, contemplates a third and perhaps even riskier course—to seek new elections this October. Add, that the Christian Democratic Party is under an avalanching public criticism, a snowballing political attack because of the ugly Wilma Montesi "murder-sex-dope ring" scandal which allegedly involves the reputations of its chief of police and several of its ministers, including Mr. Piccioni, the Minister of Foreign Affairs.[3]

Nevertheless, this damaged, shaky and disunited government shows some intention of trying to introduce and ratify EDC shortly. Will they do so? To a large extent the answer depends on what we now intend to do about Trieste. For Trieste is the one over-arching *national* issue on which this Government can hope to gain the necessary strength to close its own ranks, to rally public opinion behind it, and to put through any pro-West legislation or decisions.

I assure you, Mr. Secretary, it is quite literally impossible to make the Italian people see that EDC and Trieste should be viewed as separate problems, and that it is *not* to their best interests to prejudice the whole defense of Europe and the Mediterranean by linking them. They ask, why should they see this, if Tito won't see it?

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[3]On Apr. 11, 1953, a young woman, Wilma Montesi, was found dead under mysterious circumstances on a beach near Ostia. Her death became the object of widespread national attention early in 1954 when charges were made which implicated prominent Italian figures, including the son of Foreign Minister Attilio Piccioni. In March 1954, the parties of the Left called for the resignation of the Scelba government and demanded a parliamentary inquiry into the affair. Scelba responded by appointing the President of the Liberal Party, Raffaelo De Caro, to conduct a special investigation. In telegram 2760 from Rome, Mar. 16, 1953, the Embassy called the Montesi affair "perhaps the greatest political scandal" since the Matteotti affair of 1925. (765.00/3–1654)

Moreover, the Italians, like Tito, know the truth and the inwardness of the matter: we, not they, will choose for or against EDC, because in the end we must choose to favor Democratic Italy on the Trieste question (and we'll get EDC here), or we must choose Communist Yugoslavia (and we won't get it).

May I bluntly say that as I see it, we must also choose, sooner or later, to keep our national word or not to keep it.

The fate of Scelba's pro-West government rests on our choice. And, inescapably all Italy's future foreign policy relations with us will understandably enough be colored by it.

What value, for example, should this parliament be expected to attach to U.S. guarantees on troops, during an EDC debate, measuring those "guarantees" against U.S. past performance on the March 24th Declaration,[4] and our present one on the October 8th Decision?

Certainly (as our London Trieste team is now well aware), if we urged upon Italy at this time what currently seems to be Tito's best offers on Trieste, the Italian Government would roundly reject it. To accept it would at once topple Scelba's government.

Moreover, the London team fully realizes that the mere presentation by our Embassy here of Tito's best offers would, even if rejected, aggravate our relations with this Government, and so further weaken it.

Any plan such as Tito's present one, which called not only for Italian sacrifices in Zone A and none by Yugoslavia in Zone B, but also for heavy Italian reparations to a Communist government, plus millions of U.S. dollars to Tito to help him build a railroad and port in competition to Trieste would completely shatter whatever morale the Italian Foreign Office has left. The whole thing would strike the Italians as a most astounding result of "U.S. pressure on Tito." (And I suspect it would strike many Americans the same way, too.)

Moreover, however secretly the offer were presented, and even if rejected, it would eventually hit the world press. How it would be viewed in France, for example, I cannot judge. But certainly in all Italian eyes it would constitute final proof that against our twice-given word we have chosen for Yugoslavia, either because we actually value Communist Yugoslavia as a more reliable ally than Democratic Italy (which possibly the Pentagon does), or because we are afraid not to yield to Tito's demands lest he opt to return to the Kremlin orbit (which may indeed be bothering the State Department).

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[4]Luce was apparently referring to the Mar. 20, 1948, Tripartite Declaration on Trieste.

But true or false, both interpretations will be given here, and both will further undermine the pro-West parties of Italy and build up the prestige of the Fascists and pro-Cominformists who have been able to monopolize increasingly the "patriotic attitude" on the Trieste question, as successive democratic governments have yielded to "pro-West" views on the Trieste question.

Therefore, the immediate result of presenting Tito's seemingly best offer to the Italian Government at this time would be, in addition to its rejection, that *EDC would not be introduced this year*, for the simple reason it would not then get the popular support that would produce the margin of votes necessary in the parliament.

I am assuming, however, that we will not urge Tito's current Trieste solutions on the Italians at this time, and that instead we are inviting the Italians to go through the same "exercise" the Yugoslavs have gone through with our US–UK London team of experts. Certainly these exercises are useful, both in bringing forth all the facts, and in showing US–UK willingness to examine the attitudes of both sides patiently and fairly. But what is the merit of this manoeuvre *in relation to EDC*? In my opinion, only one, and that of highly dubious value: the October 8th Decision can thus be "kept up in the air," for the next six weeks or two months, pending the outcome of the *promised* EDC debate in the Italian parliament.

It is my personal opinion that if the Italians accept the invitation to talk Trieste in London, and if EDC should then be introduced, *the passage of EDC will be kept up in the air just as long as the Trieste question is.* And that the end of the matter will be either:

(a) EDC will finally be shelved "owing to the internal political necessity of awaiting the outcome of the London Trieste talks (or "negotiations," or conference—or whatever other device we can find in future to procrastinate on the October 8th Decision); or

(b) EDC will pass, but only with the attachment of a Trieste protocol, which will probably be "stiffer" for us to implement than the October 8th Decision; or

(c) The Government will finally fall trying either to beat off a Trieste protocol, or pass EDC in the absence of a Trieste solution. It will then take months to form a government even as strong as this one; or

(d) The demonstrations over EDC made in parliament by the Kremlin Left and Fascist Right will be so severe it will become necessary to dissolve parliament, and call for new national elections in October.

If new elections come about, either as a result of the fall of the Scelba government or as a result of the debate on EDC, they will obviously precipitate another great crisis in Italy for pro-West foreign policy. We will then be forced to extend a considerable covert

aid program, and possibly an enlarged defense aid program—more off-shore orders, etc. But our best information here is that after a succession of pro-West governments have tumbled, owing in considerable part to the failure of the U.S. and U.K. to sustain them on the Trieste question, no form of U.S. aid will alone be quite enough to beat down the Communists. And certainly a *third promise* about the FTT will not suffice. We will then have to produce Trieste before Election Day or witness the Center ground down by the Fascist Right and the pro-Cominform Left.

The Italian Communist Party, as you know, has unremittingly taunted De Gasperi's, Pella's, Fanfani's and Scelba's governments with the prediction that when the inevitable U.S.-U.K. showdown with Tito came we would bend before him and welch on the October 8th Decision as we did on the March 24th Declaration. Unless that prediction can be shown to be false before the next Italian elections, it is certain once again to pay off handsomely for the Kremlin at the ballot box.

Any such eventuality as a great Communist gain in October elections would, of course, be viewed both in Italy and in America as a severe setback for U.S. foreign policy—as indeed it will be. For EDC would then be dead as a duck in Italy and Italian "Democracy" would sooner or later be laid down beside it.

U.S. democrats could and would make the most of such a miserable situation in our own elections in November. I only mention this political consideration in passing. I know that your only and passionate concern in all you do is the safety and security of America. Everything both you and the President said to me in Washington showed your tremendous awareness of how harshly affected U.S. security would be by another triumph for Communism at the polls in Italy. For you realize that if the Communists continue to gain as much in the next two years as they have in the past two years, *either the stage will be set for an eventual Communist coup d'état or civil war in Italy.*

I know how deeply occupied you are with the cruel problems of Korea, Indo-China, Berlin and France. But when I reflect on where our present Trieste policy may lead us, I can't help but wonder whether it is not altogether possible that Italy could be the powder keg of World War III. Certainly Mr. Acheson abundantly supplied the powder with his wholesale introduction and induction of the Communist Party into Italy, and Mr. Truman lit the lively fuse when he failed to implement March 24, 1948,[5] at a time when it was quite possible to do so. But in all fairness to Mr. Truman and Mr. Acheson, they tried to damp down the powder with a vast

[5]Apparent reference to the Mar. 20, 1948, Tripartite Declaration on Trieste.

direct economic aid program. However badly handled that program was, it did postpone the inevitable day of reckoning on Trieste.

But we have no such vast direct aid programs. And once again, with our failure to implement October 8th, the day of reckoning comes on apace.

Half the Communists in Europe are right here in Italy now. And their numbers are growing.

What are we expected to stop them with here, if not Trieste? This is a question that cannot safely remain unanswered much longer.

If this were not the fact, I would not add this problem to the already crushing load you have been carrying so tirelessly and so skillfully, indeed so nobly.

Cordially,

CLARE BOOTHE LUCE

No. 176

750G.00/3-1754: Telegram

The Secretary of State to the Embassy in France[1]

TOP SECRET PRIORITY NIACT WASHINGTON, March 24, 1954—3:09 p.m.

3285. Eyes only for Ambassador Luce.[2] I have read with interest and appreciation your letter of March 18[3] analyzing Italian situation with special reference to Trieste. From your reference to Tito's best offer as calling for Italian sacrifice in Zone A without compensation in Zone B, I infer you had not received report of basis for settlement which Velebit agreed to present to Tito (London's 3990[4]), which involves only minor rectification interzonal boundary with approximate equality in territorial concessions made by each side. Basis for settlement now under consideration seems to accord closely with your views as I understand them and is in its territorial aspects very close to Oct. 8. Velebit seems to have accepted only lip service to autonomy. Free port of Trieste is already in existence and there is no question of a Yugo proposal for anything different

[1]Drafted by Hooker and cleared with Bonbright, Barbour, Jones, and Dulles. In a memorandum of Mar. 23 from Merchant to the Secretary, which accompanied a draft of this message, Merchant said that if Luce expressed serious disagreement to the proposed basis for a settlement, "we may face a very difficult decision. But on balance we have preferred to put it up to her, rather than issue instructions to Thompson which she might later question." (750G.00/3-2354)

[2]Luce was in Paris on leave.

[3]*Supra*.

[4]Described in Document 174.

as implied para. 2 Rome's 2835.[5] We agree with your point that financing Yugo port and railroad should be divorced from settlement and hidden in economic aid as proposed by Thompson in London's 3990. Slovene claims issue seems narrowing down to opening credit institution and one or more cooperatives which admittedly carries some potential for future use against Italian interests, thought apparent fact that few Slovenes in Trieste are pro-Tito (Trieste's 1083[6]) suggests danger limited. Reparations issue clearly is difficult but should be manageable in context of settlement of outstanding issues, especially if we can persuade Yugos to accept Italian agreement to negotiate, and not make whole settlement contingent on agreement on reparations.

Proposed consultation with Italian representative in London after US–UK Embassies Rome have taken initiative to this end (leaving representatives in London to give Italians all details), should afford Scelba all necessary protection. I believe we should say to Ital. For. Office that we think there would be advantages in handling this, at least initially, with Brosio alone in London, though if they wish to send one or two experts there would certainly be no objection. We hope we could reach substantial agreement with Italians without repeating with them the tripartite exercise we have been engaged in with Yugos.

My thought, like yours, is that best hope avoiding spiral unfortunate developments with which Italy is threatened is earliest possible solution Trieste problem, on basis meeting reasonable Italian requirements and at same time without alienating Yugos.

It seems to us that Dept's long telegram to London, 4848 repeated to Rome as 3044[7] which you no doubt saw on Saturday[8] before you left Rome meets your main concerns and outlines basis for a settlement which Italians could discuss without subjecting Scelba government to undue risks and with good hope of thereby speeding a tolerable settlement.

It seems to me the proposal on which we are now working is so close to Oct. 8 with only minor deviations which each could claim for facesaving purposes that it would be a great misfortune not to proceed. It ought to be a political achievement for the Italian Govt to get the Italian flag flying again over Trieste, which after all is the heart of the matter.

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[5]In paragraph 2 of telegram 2835, Luce commented on the Yugoslav position as presented by Velebit on Mar. 17. (750G.00/3–1954)

[6]Not printed. (750G.00/3–1654)

[7]See Document 174.

[8]Mar. 20.

I am anxious to send instructions to Ambassador Thompson along these lines but want first your observations which please send niact.

Best regards.

DULLES

No. 177

750G.00/3-2554: Telegram

The Ambassador in France (Dillon) to the Department of State[1]

TOP SECRET NIACT PARIS, March 25, 1954— 1 p.m.

3527. Limited distribution. From Luce. In reply to your Deptel 3285 to Paris,[2] would like to make following points:

A. Essential differences between Trieste settlement as currently proposed in London and October 8 are as follows:

1. October 8, if implemented, would have given Italians territorial parity from which to negotiate reparations, Zone A coastal strip, etc., against Zone B hinterland, port facilities, etc. From Italian point of view territorial parity which left remainder FTT questions open to negotiation was wholly acceptable springboard for subsequent negotiating between two sovereign nations.

2. If such negotiation had been long protracted or even failed neither US, UK or Italian Government would have borne onus in eyes of Italian public opinion, an invaluable and necessary argument for any Italian Government defending EDC or other pro-West policies against nationalistic or pro-Kremlin opposition.

3. Current conditions in which present settlement is proposed as basis of negotiations with Yugoslavs not only deprives Italians of initial territorial parity promised by October 8, thereby curtailing greatly their negotiating advantage but gives them no assurances that territorial parity will ever be forthcoming if London negotiations fail, which may be all too likely, if settlement is made contingent on agreement on reparations with Yugoslavs.

4. I believe it is important from US point of view to remember that if actual negotiations begun on current settlement in London do fail, then US, UK and Italian Governments will be given all the blame by Italian public opinion for following:

(A) London talks would be viewed as US, UK, Yugoslav trap sprung on Italians in order (a) to avoid October 8, (b) to impose a substitute US, UK, Yugoslav settlement, far short of March 20 and even October 8, (c) then to blame the Italians for being "unreasonable" in not accepting it, (d) Italian public opinion would view any Scelba acceptance to negotiate Yugoslav pro-

[1] Repeated for information to Rome.

[2] *Supra.*

posals at London as betrayal of Italian interests in view of fact that Italian position as laid down by Pella has been clear and consistent on two points:

(1) While not precluding talks or soundings with US paralleling Yugoslav talks, Italians refused to begin to negotiate Trieste question unless implementation has begun, or
(2) Unless a firm date had previously been given for October 8 in event negotiations failed.

(B) Do not think that Italians will abandon this position at least at a technical or verbal level. That is why it is important to invite them to London in spirit of hearing report and presenting their case—in short as repetition of Yugoslav exercise. That they would go as potential negotiations is implicit in acceptance but from government point of view cannot be explicit.

B. In conclusion, I believe two things are necessary to successful outcome of matter now:

1. That invitation to Italians to London should be extended in form of final sounding of Italian opinion on Yugoslav soundings, in short repetition of exercise. This would not preclude substantive negotiations after Italians got there, but it would take Italian Government off hook of being accused of accepting negotiations without any assurances on October 8, a thing they have consistently feared and refused.
2. That we should decide what we intend to do about October 8 if London talks with Italians come to nothing conclusive or acceptable.

In my opinion if this happened we should then be prepared to present to both governments our own solution for the Trieste question which we believed should be acceptable to both as a substitute for October 8 and at the same time present them with a firm date line for implementing October 8 if our solution should not prove acceptable to either government. We should also tell them that in the event October 8 were preferable from either an Italian or Yugoslav point of view, so far as US and UK go, it would be final.

It seems to me that we must be in a position soon to offer both governments an "either-or" choice on the Trieste question.

DILLON

No. 178

750G.00/3-2754

Prime Minister Scelba to the Secretary of State[1]

ROME, March 27, 1954.

MY DEAR SECRETARY OF STATE: While the Treaty for the European Defense Community is being presented to the Parliament for ratification, I feel that it is my duty to express to you with all frankness the views of my Government on this question, as well as on the question of Trieste, also with reference to the statement which I made on March 22nd to the Foreign Press Association and which was acknowledged by you in your press conference on the following day.

1. The Italian Government is firmly convinced that E.D.C. has an essential function, as a basic element of the defense of the free world, and that an early ratification of the Treaty by the Parliaments of the participating countries is of supreme importance. However, the Italian Government deems it necessary to present to its Allies certain objective considerations and to point out the risks which will arise in the parliamentary debate and in the country, should such debate take place before the settlement of the problem of the Free Territory of Trieste or, at least, before the implementation of the October 8th decision.

2. The majority of the Italian public opinion favors E.D.C. but, by the very force of the circumstances, is bound to consider the problem of the ratification in connection with the situation which now exists at the eastern border.

The Italian public opinion fails to be convinced that E.D.C. will become an effective defense against all the most serious dangers of armed aggression directed towards free Europe, while it had bitterly to realize that the Yugoslav rulers, merely by oral threats, have succeeded in inducing the two major Atlantic Powers to withhold the implementation of the decision so categorically announced to the world on October 8th of last year. The Italian public opinion fails to understand how the Allied Powers are unable to induce the

[1]This letter was delivered by Ambassador Tarchiani to Secretary Dulles on Mar. 30; the source text is a rough translation provided by the Italian Embassy. According to a memorandum of their conversation, Tarchiani emphasized that Trieste was the key to the present political problem in Italy. Dulles replied that he would give the letter careful study and would reply in writing. He also asked Tarchiani to assure Scelba that he fully realized that the Trieste question was not a "marginal problem." Dulles asked Tarchiani to report that the London talks had resulted in some progress and that the United States and the United Kingdom might shortly be able to inform the Italian Government concerning them and to consult the Italian Government. (Secretary's Memoranda of Conversation, lot 64 D 199, "March, 1954")

Belgrade Government not to oppose the implementation of the above said decision, as it is evident that the present Yugoslav regime has indeed no free choice between East and West and depends so largely on the economic and military aid received from the United States and Great Britain.

3. In the parliamentary field, the failure to settle the problem of Trieste would force the Government to fight on two fronts for the ratification of E.D.C.: towards the right and towards the left. This means that, for the ratification, the Government should count merely upon the parties of the present coalition, which in the House have a majority of only 15 votes. On the other hand, it is obvious that, in view of the importance of E.D.C. of its fifty-years-commitment and of the constitutional problems involved, all those who, in Italy and abroad, fully appreciate the purport of such a decision should spare no effort in order that the ratification of E.D.C. be approved by the largest possible majority, with the support also of political and parliamentary forces not included in the present governmental coalition.

4. Furthermore, if it is taken into account that even within the governmental majority there are some prominent personalities who, in clear conscience, have expressed in the past the conviction that the solution of the Trieste problem should precede the ratification of E.D.C., one cannot discard the hypothesis that even the majority provided for in the Parliament by the four governmental parties might be further reduced or even become uncertain when the ratification of E.D.C. is discussed.

5. The failure of the Allies in implementing the solemn decision of October 8th will continue to offer to the social-communist opposition the best possible propaganda weapon. The extreme left will conceal the real reasons of its fundamental opposition to E.D.C. behind the screen of the Trieste question, by exploiting the high emotional impact of that question on all sections of the Italian public opinion. It will also accuse the Government of weakness in front of the Allies and will accuse the Allies not to take into any account Italy and its national interests.

This would be the best possible gift by the Allies to Italian communism! Indeed the communists, in their falsely patriotic allegations, would not remain isolated. They would, on the contrary, take advantage of the repercussions necessarily arising from those allegations, both among the rightist parties and in the feeling of the entire country, which is disappointed by the lack of a solution of the Trieste problem between 1948 (date of the Tripartite Declaration) and today. This disappointment is aggravated by the situation of the Italians living in Zone B, under Yugoslav temporary occupation. Their condition, already recognized by the Allies in 1948 as

unbearable has further worsened since then and has originated a continuous exodus of Italians, forced to escape the persecution of the Yugoslav communist dictatorship.

In such a situation, the arguments of the democratic parties in favor of E.D.C. would have little effect on public opinion. Those parties, in fact, would be weakened by their failure to obtain from the Allies justice for Italy, solidarity for Italian democracy and the fulfillment of formally taken commitments.

6. The implementation of the decision of October 8th could modify basically the psychological, parliamentary and political situation and could perhaps also mark a decisive turning point in the development of Italian internal politics.

In fact, as soon as this obstacle to the participation in E.D.C. were removed, the majority of the Italian public opinion would align itself with the Government in favor of the ratification.

In the Parliament, the Government could count upon the totality of the votes of the four center parties, upon the support of their most prominent personalities, upon the votes of the monarchist group, and perhaps also upon the votes of the M.S.I., or at least upon the abstention of this party. Even the socialists of Nenni's party would be caught unmasked and seriously embarrassed, because, if (as it can be foreseen) they maintained their opposition to E.D.C. even after the demand for a just settlement for Trieste had been met, they would be forced openly to admit their subordination to the communists. The embarrassment created by this situation might even compel a considerable number of socialists to mitigate somehow their attitude, thus further accentuating the isolation of the communists. This is just what the communists endeavour to avoid by all means.

Moreover, if the communists, following orders from Moscow, tried to apply and to carry out to the extreme extent the already threatened filibustering in order to prevent the ratification of E.D.C., the Government, strengthened by the support of a large majority in the Parliament and in the country, would feel authorized to adopt measures even of the utmost severity. The Government fully understands, and is in a position to make the public opinion realize that, under the present circumstances, the United States and the United Kingdom cannot implement the Tripartite Declaration of March 20th, 1948 for the whole Free Territory of Trieste. The Italian Government asks for that which is possible, namely that the Allies execute what they are actually able to execute: the commitment taken by the decision of October 8th to transfer *"de facto"* to Italy the administration of Zone A, thus establishing, moreover, the premises for the attainment of a peaceful and concerted final solution of the whole problem. Furthermore, if

in order to facilitate their position towards the Yugoslavs, the Allies deem it useful that Italy formally commit itself not to take recourse to any act of force in order to modify the "*de facto*" situation thereby created between Italy and Yugoslavia in the Free Territory of Trieste, the Italian Government, as far as it is concerned, is ready to take such a commitment.

These are, Mr. Secretary of State, the conclusions which I have reached after mature consideration. I wanted to express them to you in the most friendly intent of cooperation. As you have certainly gathered from what I have been saying, it is a question of objective difficulties and not of insufficient conviction or determination on the part of the Italian Government. Allow me to emphasize that it would be a serious mistake not to take this into account or to consider Trieste (which stirs the emotion of *all* the Italian nation) as a marginal problem, or even worse, as an argument artificially created by the Italian statesmen in order to avoid heavier responsibilities. The truth is exactly the opposite. Therefore, it is largely up to the Allies to give to the Italian Government the possibility of being in a position to obtain in the Parliament a quick ratification of E.D.C. as well as to consolidate democracy in Italy.

Trusting that you will give consideration to this letter, having in mind the common aims which have inspired me in writing it, I beg you to accept, Mr. Secretary of State, the expression of my most cordial feelings.

MARIO SCELBA

No. 179

750G.00/3-3154: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET PRIORITY BELGRADE, March 31, 1954—midnight.

1061. Foreign Secretary suddenly convoked Mallet and me late today for interview on Trieste which lasted two hours. He went over most of points recently discussed London and set forth in London's 4180 to Department.[2]

1. Popovic opened by saying that London discussions seemed to have come to a dead-end and Yugoslav Government had impression that US–UK disappointed at result to date. Yugoslav Government

[1]Also sent to London and repeated for information to Rome, Trieste for Butterworth, and Paris eyes only for Luce.

[2]Not printed.

in turn was not certain exactly what we expected of it and perhaps he could give the two of us his estimate of where we stood. He thought London conversations had thoroughly explored the political aspects of Trieste question and that better understanding had been realized.

2. Foreign Secretary then said that territorial problem was obviously the most difficult but that in his opinion three governments had come closer together in their views. Somewhat to our surprise he stated that the last US–UK proposal was not far away from what Yugoslav Government could accept. It had been agreed that while not possible to have a Yugoslav port in Trieste it had been agreed that another port could be found at St Niogolas to serve Slovene hinterland. He furthermore had impression that US–UK more inclined to recognize the necessity of connection between such a port and Slovenia. It was essential to Yugoslav Government to have a direct connection for this proposed port. Referring to US–UK proposal on territories, he emphasized that Bassovizza was required for Yugoslavia even on the basis of US–UK proposal as otherwise a long road detour would be required. Furthermore, Bassovizza has a strong emotional appeal as a sort of Yugoslav Lidice. He therefore appealed to US–UK to accept Bassovizza strip as involving only a small segment of territory populated with only a few thousand Slovenes.

3. Next point of real importance to Yugoslav government was question of economic aid for construction of port and railroad. He noted that this had been involved in reparations question but believed that reparations were not really a part of Trieste settlement. This was basically a question between Yugoslavia and Italy and he realized that it was not responsibility of US–UK but would appreciate our good offices. While territorial discussions had been specific, discussions on economic aid had not been precise. Thompson was presumably not authorized to make any commitments. Turning to me, Foreign Secretary said he hoped that as we were closer together on territorial questions that it would be possible to give a more precise indication on what could be expected in way of economic assistance. He referred to Eisenhower–Popovic conversation[3] said expressed firm hope that Yugoslav Government could have more certainty.

4. Yugoslav Government considers as fundamental establishment of a statute for minorities which would be reciprocal. This should at least be established in principle although the statutes themselves would not have to be identical. He thought it would be necessary to have a protocol on this.

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[3]See Document 173.

5. Re autonomy and a free port, Yugoslav Government had presented proposals that were perhaps not perfect but at least an effort to consider what might be done. He had impression that these proposals had received a reticent reception in London perhaps because they had not been fully understood. Yugoslav Government realized that US–UK could not undertake obligations in this field but proposals made were not without precedent in Italy and could be considered. Re port arrangements, what had been proposed in way of international control were not remote to what had been provided in Italian Peace Treaty.

6. Re compensation to Slovenes, Yugoslav Government did not hope for total reparations but asks only partial recompense principally for real property. He cited several examples of Slovene property confiscated under Fascist laws and eventually returned to Italians by AMG.

7. In concluding Foreign Secretary expressed opinion that London talks have gone far in reconciling our respective views. Yugoslav people would not be content with concessions offered which would be difficult to explain but Yugoslav Government in spirit of large comprehension was willing to make these concessions to effect settlement. His one anxiety was that after making concessions, and if three powers reach agreement, this might be regarded as starting point for new Italian demands. In case Italy should present new claims Yugoslav Government could not be bound by present offers. We should not give impression that London negotiations have broken down, and we must shortly decide what to do. He suggested that sometimes those who have not been involved in all the details might find a way out and he had therefore laid before us with great frankness Yugoslav Government's viewpoint.

8. Mallet and I then replied that while speaking without instructions we were cognizant of developments in London and that we would comment immediately upon what Foreign Secretary had said. In our opinion, we were not nearly as close to territorial questions as Foreign Secretary seemed to assume. There had been one stage of London negotiations, which we thought was about 16 of March, at which time it looked from Velebit's attitude as if we were coming closer together. However the subsequent demands for Bassovizza strip had separated us again. Furthermore, claims for autonomy in Trieste were much larger and could only give trouble with Italy. What Yugoslav Government was asking was simply to keep sovereignty over Zone B while city of Trieste would have a different regime. If we were to present an agreed package to Italians, we must have some chance of acceptance. To date, we had not found in Yugoslav Government proposals this possibility and there-

fore we had been greatly disappointed by latest Yugoslav Government proposals. Both Mallet and I took a very strong line and repeated in most emphatic terms that territorial adjustments must be equalized between Zone A and Zone B. At this point a map was produced and Foreign Secretary again emphasized the extremely small amount of territory which they were asking in Zone A. It would comprise only that corner of Zone A taking in the road from Yugoslav to Bassovizza and then continuing southeast until the road rejoined Yugoslavia. He said we were arguing about only a tiny piece of territory and that if this were included Yugoslav Government could accept US–UK proposal. At this point we asked Foreign Secretary as a personal suggestion whether he would trade corner of Zone A against the corner of Zone B and drop the rectification on the peninsula. He hesitated somewhat but finally said that he could not. I again urged him to agree to a territorial solution which could be presented as a balanced concession on both sides, and we told him that this was an essential point.

9. Then ensued a lengthy discussion on autonomy, including reiteration of our objections and a least a semi-agreement on a suggestion of Mallet that it might be possible to present this question in a sufficiently vague form. As we did not *dwell* on our objections to Yugoslav Government detailed plan on autonomy, we eventually extracted from Foreign Secretary that if a minority statute could be agreed Yugoslav Government might accept autonomy in principle and then negotiate later on details with Italians. He then said we could consider the Velebit proposals on autonomy as examples and this perhaps would not have to be specified for Trieste or the port regime.

10. As neither Mallet nor I were sufficiently satisfied (apart from territorial question) we then pressed Foreign Secretary very hard to extract his minimum demands. After a lengthy debate and on the assumption that we are approaching a territorial settlement we pinned him down to the following:

A. Minority statute with reciprocity.
B. Economic aid.
C. At least partial compensation for Slovenes, recognizing that some of this might be affected under AMG.

11. Contrast to his customary biting manner, Popovic was conciliatory throughout and I left with impression that this may be beginning of Yugoslav concessions. At one point I asked him flatly whether he wanted us to take present Yugoslav proposals to Italians with no hope of success or to continue in London. He avoided

direct answer but immediately began to give ground on autonomy. Our comments follow tomorrow.[4]

RIDDLEBERGER

[4]See telegram 1065, *infra*.

No. 180

750G.00/4–154 Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET PRIORITY BELGRADE, April 1, 1954—5 p. m.

1065. Limited distribution. Trieste for Butterworth.

1. Interview with Foreign Secretary yesterday[2] followed immediately upon plenum meeting of Communist Party which brought all top Yugoslav leaders to Belgrade. Strong presumption that London negotiations were discussed and Popovic instructed to call in Ambassadors to make serious effort to find way out. Both Mallet and I now believe that Yugoslav Government does not desire to have us take disagreed proposals to Rome but does desire to continue London negotiations in hope of finding agreed proposals to put to Italians. It was obvious that Foreign Secretary had carefully prepared for meeting and was in one of his rare conciliatory moods in which appeals were more evident than demands. He no doubt hopes that Mallet and I will influence our governments to examine again the Bassovizza strip and see if a compromise cannot be found. The second point strongly emphasized by him was an appeal for more specific indications on aid.

2. While Foreign Secretary did not make any concessions on territory, he repeatedly emphasized how close our views had come and in face of the contrary opinion of Mallet and me continued to state that territorial differences between us had been reduced to a question of square meters. Given this atmosphere, perhaps we should explore further (a) whether any chance exists of trading Bassovizza strip for corner of Zone B and drop the Muggia Peninsula rectification, and (b) whether if (a) is impossible the corner of Zone B could be enlarged to compensate for Bassovizza as it looks from our basis if certain possibilities exist in this region. I fear Yugoslav Government will be reluctant to give up Muggia rectification as otherwise the boundary lines will be practically within the back yard of San

[1]Also sent to London, and repeated for information to Rome, Paris, and Trieste.
[2]This interview was described in telegram 1061 from Belgrade, Mar. 31, *supra*.

Niccola. In any case, from the atmosphere last night I assume more territorial discussions are possible.

3. Popovic returned at least four times to the economic aid question and made it abundantly clear that this would be an essential part of a compromise. He is apparently planning to declare such assistance as compensation for Yugoslav Government to build new port and railway in return for concessions in Zone A. From our analysis of Yugoslav balance of payments we know that calendar 1954 and 1955 will be exceedingly difficult years on basis of present statistics and projections. Need for essential imports and probably export earnings will leave gap of 30 to 40 million dollars in fiscal year 1954 and possibly 100 million dollars in fiscal year 1955 over and above current and projected aid levels for these years. Heavy debt repayments are scheduled for both 1954 and 1955. While neither Mallet nor I do believe that Yugoslav Government would for purely monetary considerations concede points of primary political importance, it seems clear that its present financial stringency will make the financial element important re timing and secondary points. To meet the various obligations falling, I have no doubt that Yugoslavs are most desirous of knowing what can be expected. If we think, therefore, that there is a possibility of a success for the London talks, Thompson should be prepared to talk figures on extra aid as soon as possible.

4. Mallet and I agree that we made some progress on autonomy as Foreign Secretary indicated that there might have been some misunderstanding of Velebit's position in London. We should, perhaps, explore in London how far Yugoslavs will go and in particular if some vague formula could be devised. It would be important to know whether later Yugoslav-Italian negotiations would take place before or after the transfer of Zone A.

5. I feel that Yugoslav Government will continue to demand at least some form of symbolic compensation for Slovenes in Zone A. We cannot comment on this in detail from Belgrade, but, perhaps, some real property could be returned by AMG.

RIDDLEBERGER

No. 181

S/S–NSC files, lot 63 D 351, NSC 5411 Series

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Under Secretary of State (Smith)[1]

TOP SECRET [WASHINGTON,] April 8, 1954.

Subject: Trieste Negotiations—Ambassador Thompson's Recommendation for Economic Aid to Italy.

As you know, the London negotiations with the Yugoslavs have taken an encouraging turn, and if there is no backsliding we may be able in a few days to go to the Italians with a tolerable basis for agreement.

The Yugoslavs have put great emphasis on an unpaid balance on reparations which the Italians allegedly owe, and which the Italians vigorously deny. It looks now as if we can get the Yugoslavs not to make the whole agreement contingent on the settlement of the reparations dispute. But Thompson argues in the attached telegram,[2] and I think correctly, that if we leave the reparations settlement for later negotiation it is likely to poison the relations between the two countries and prevent the main benefits we want out of a Trieste agreement. Conversely, he argues that in spite of the bitterness on both sides, the Turkish-Greek example shows what "tremendous advantage to the unity and security of the West" can accrue if disputes can be cleared up. He believes that with U.S. aid to Italy of approximately $20 million, beginning in FY 55, "we could quickly remove outstanding difficulties in Trieste settlement". (This has no connection with the extra $20 million of aid in the form of wheat, which we plan to give the Yugoslavs in FY 54.) He thinks that "deliveries (from Italy) under financial settlement spread over several years should be a restraining influence on Yugoslav actions and should develop contacts and basis for continued economic cooperation—considering billions we have put in the two countries believe this relatively small amount could pay tremendous dividends in protecting our investment even at the expense of cutting down further military aid—Am aware of difficulties but believe stakes are great."

I think our negotiations are now approaching the point where their success and the incalculable benefit to our interests of a Tri-

[1]Drafted by Hooker and Bonbright and cleared in draft with Jones, Barbour, and Nolting. The source text bears the handwritten notation: "Sec approved."

[2]No telegram was found attached to the source text, but the reference is presumably to telegram 4418 from London, Apr. 7, in which Thompson presented the arguments described here. (750G.00/4–754)

este agreement may turn on Thompson's ability to speak with authority on this point. While I realize we can make no formal commitments, I believe that if Thompson could be told that the Secretary of State and the Director of the FOA have agreed that they will find a way to make the above sum available to Italy if it is needed to secure a Trieste agreement, it may make the difference between success and failure in our negotiations.

Recommendation:

If you agree, I recommend that with the Secretary's approval you arrange to meet with Mr. Stassen, show him Thompson's wire, and if possible get his agreement to give Thompson this assurance.[3]

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[3]A handwritten note by Barbour at the end of the source text reads: "Acting Secty called Mr. Rand FOA who agreed to provide the funds. Gen. Smith also called Mr. Kyes and informed him of the action." In telegram 5375 to London, Apr. 13, Smith informed Thompson that, in Stassen's absence, he had talked with Rand and Kyes, who had agreed to find a way to make $20 million in economic aid available to Italy, preferably over more than one year beginning FY 55, if it were needed to secure a Trieste settlement. Thompson was authorized to use this information at his discretion, if needed, in negotiating with the Italians. He was told to avoid making a formal commitment. (750G.00/4-754) Smith also raised Thompson's suggestion regarding the $20 million in economic aid to Italy at the 193d meeting of the National Security Council, Apr. 13. President Eisenhower voiced his hearty agreement with the proposal, and in reply to Rand's comment that FOA might not have such funds, said that the money must be found somewhere, since settlement of the Trieste issue might change the whole situation in Europe. The NSC authorized FOA and the Department of State to make this additional economic aid available to Italy if it were needed to secure agreement on the Trieste dispute. For a memorandum of that part of the discussion at this meeting which dealt with Italy and Trieste, see vol. VI, Part 2, p. 1675.

No. 182

Secretary's Letters, lot 56 D 459, "S"

The Secretary of State to Prime Minister Scelba[1]

CONFIDENTIAL [WASHINGTON,] April 10, 1954.

DEAR PRIME MINISTER: It was with great appreciation that I received your letter dated March 27, 1954,[2] confirming the intention

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[1]Drafted by Freund and cleared with Fessenden (RA), Barbour, Jones, and Hooker. The letter was transmitted to Ambassador Luce as an enclosure to instruction A-755, Apr. 10, with a request that Luce deliver the letter to Scelba. (740.5/4-1054) Luce delivered the letter to Scelba on Apr. 16. In doing so, she expressed the hope that the Italian Government would do all in its power to maintain calm and avoid unnecessary speculation in the press close to the government on the future London negotiations. Scelba replied that he would do whatever was necessary to keep the press in line. This conversation was briefly described in telegram 3267 from Rome, Apr. 16. (740.5/4-1654)

[2]Document 178.

of your Government to present the EDC treaty to Parliament for ratification and confiding in me your Government's views on the relationship of the Trieste question to the ratification process. The frankness of your comments encourages me to be equally frank in response, and I welcome the opportunity for establishing clear understanding of our respective view points.

I should like first to confirm to you the assurances given your Ambassador, that my Government views the resolution of the Trieste question not only as of fundamental importance to Italy and Yugoslavia, but as of high concern to itself. Because of both the importance it attaches to the security of Southern Europe and the special responsibilities it bears in the free world, my Government has every interest in the earliest possible development of an agreement satisfactory to Italy and Yugoslavia. The earnest efforts to find the basis for a solution, which have been proceeding in London for two months represent evidence in this regard. The next step in the efforts of the U.S. and U.K. Governments, i.e., the initiation of discussions with representatives of your Government, will, I hope, take place in the near future. I also hope you will agree that the chances of success for the negotiations will be enhanced by continued secrecy.

Your letter demonstrates that your Government believes in the necessity of ratification of the EDC treaty for the long term security and stability of the members of the Community and of Western Europe as a whole. That being the case, we are dealing with two separate problems, each of great importance to Italy, as well as to many of its friends. The conclusion seems inescapable that we are well advised to gain success on each of these problems as quickly as our most determined efforts will permit.

I quite appreciate that the circumstances under which the debate on EDC ratification will occur would be improved if a solution to the Trieste problem had already been reached. However, serious parliamentary difficulties had also to be overcome in Germany and exist in France, where it is our hope and expectation that the EDC debate will be inaugurated in May. As regards Trieste, you may depend on the continuation of the most determined efforts of the United States and, I am sure, the United Kingdom through the medium of the present discussions on those to follow with your representatives, to assist in reaching an acceptable solution. Given the desire of the two Governments principally involved also to reach a solution, I am confident that a just one will be found.

In any event, it seems clear from the Berlin conference and ensuing events that, more than ever, the creation of the European Defense Community marks the critical turning point in the long and arduous battle by the North Atlantic Community lastingly to halt

the advance of Soviet imperialism and to promote the cause of European unity. That deep conviction prompts me to urge that nothing deter you from use of the majority, however slim, which supports your Government to cement Italy's place in the Community of Six. Permit me to stress the view of the U.S. Government that necessity for speed is paramount.

Trusting in the mutuality of interests of our Governments and peoples, and appreciating the frankness with which you have written to me, my confidence in the success of our joint endeavors is increased.

Sincerely,

JOHN FOSTER DULLES

No. 183

750G.00/4-1254: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Embassy in Yugoslavia[1]

TOP SECRET LONDON, April 12, 1954—7 p.m.

153. Limit distribution. From Dulles.[2] In absence Popovic, please communicate in conjunction with your British colleague who will receive similar instructions following message to acting Foreign Minister or highest available Yugoslav authority:

"Mr. Eden and I have taken the occasion of my visit to London to review the status of the negotiations on the settlement of the Trieste problem. We are extremely disturbed that after two and a half months of negotiations, at the last meeting the Yugoslav representative indicated there was little possibility of prompt conclusion of the present phase of the negotiations and the beginning of discussions with the Italian Government. We are particularly disappointed that at the last meeting subjects were reopened on which it was thought understanding had been reached.

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[1]Repeated for information to Rome, Trieste, and to the Department of State with instructions to pass to Defense for Nash and Lemnitzer.

[2]Dulles flew to London on Apr. 10 for brief talks with Eden. In telegram 4520 from London, Apr. 13, Thompson reported that he and Harrison had attended a meeting between Dulles and Eden regarding Trieste. According to Thompson, there appeared to be general agreement that the two countries should continue their effort along the lines already agreed upon and that they should insist upon the inclusion of San Servola in the area transferred to Italy. It was also agreed at this meeting that they could not insist upon Italian acceptance of international administration of the free port. Eden said that he wished to make clear that any additional British economic aid was contingent on getting a solution of the Trieste problem. (750G.00/4-1354) Dulles flew from London to Paris the evening of Apr. 14 for brief talks with Foreign Minister Bidault before returning to the United States on Apr. 14.

I am bound to point out that the longer the discussions with Italy are delayed, the more difficult it will be to secure the agreement of Italy to the proposed settlement. Mr. Eden and I consider this continued delay will seriously jeopardize possibilities of a solution and urgently hope that the present phase of the discussions be promptly concluded in order that we may open discussions with the Italian Government with a view to arriving at an agreed solution at the earliest possible date."

While it is not desired that the Ambassadors in Belgrade get involved in the negotiations, if questioned as to what is meant by reopening subjects, they might point out that Yugoslav Foreign Minister had agreed to accept the offer of the good offices of the US and UK Governments to endeavor to facilitate settlement of financial questions outstanding between Yugoslavia and Italy. Yugoslav representative at London talks has now taken position that lump sum settlement must be agreed upon simultaneously with the solution of the Trieste problem, thereby making the solution of Trieste problem contingent upon settlement of reparations and other financial questions. Moreover, Yugoslav representative had earlier indicated steps which Yugoslav Government considered necessary before it could agree to assumption of administration of Zone A by Italian Government. In case of minorities, he had stated that it would be sufficient for two governments to agree in principle to negotiate on a reciprocal basis a minorities statute covering certain subjects. Yugoslav position now appears to be that there must be two different statutes and that they must actually be completed before US and UK Governments could relinquish administration of Zone A.

These and other positions which Yugoslav Government have adopted appear to indicate an unwillingness to bring London discussions to conclusion. Believe Embassy is sufficiently familiar our position on other points to handle any discussion but suggest in particular that if territorial issue comes up, they should insist firmly upon enlarging area to go to Italy to include San Servola.[3]

ALDRICH

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[3]The letter from Eden and Dulles was delivered to Acting Foreign Minister Bebler the evening of Apr. 13 by Wallner and the Counselor of the British Embassy in Belgrade. The discussion which took place at this time was described in telegram 1117 from Belgrade, Apr. 13, summarized in footnote 5, *infra*.

No. 184

750G.00/4-1454

The Ambassador in Yugoslavia (Riddleberger) to the Chief United States Negotiator in London (Thompson)[1]

TOP SECRET
OFFICIAL–INFORMAL

BELGRADE, April 14, 1954.

DEAR TOMMY: I find with regret that I have never replied to your letter of February 14[2] which arrived while I was away but which I read upon my return about the middle of March. I was happy to hear that the briefing books turned out to be of some use to you, and I hope they justified my insistence with the staff here that they be compiled. I had a feeling that your documentation from the Department would not be anything to cheer about and that the time might well come when you would require more detailed information. I had hoped the Department would let me send Woodie[3] just at the outset to fill you in, particularly as he always had a clear grasp of the essentials of this problem from the Belgrade end.

We were delighted to hear about the birth of your daughter and send many congratulations. Woodie told me only yesterday that Jane[4] has gone to England and so I hope you will have something of a family reunion. Inasmuch as we negotiated here almost steadily for three months over the possibility of getting a conference, I cannot confess to any surprise at the amount of time which the London talks require. On the other hand, we more or less invited this lengthy negotiation by our own insistence that all possibilities of a settlement should be explored. Like yourself, I still feel that the Yugoslavs want a settlement, but they will certainly extract everything they can. Yesterday's developments were a good case in point. The British instructions did not arrive until late and so our meeting with Bebler was at his house in the evening.[5] Shattock

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[1]Riddleberger also sent a copy of this letter to Hooker.

[2]Not printed. (750G.00/2–1454)

[3]Woodruff Wallner.

[4]Jane Thompson.

[5]At this meeting Wallner and the British Counselor of Embassy delivered the Eden–Dulles communication to Acting Foreign Minister Bebler. In the conversation which ensued, Bebler said that he was struck by the impression apparently gained by Eden and Dulles that Yugoslavia was creating major difficulties in the London negotiations, a view with which Bebler strongly disagreed. He also said that the Yugoslav Government had been deeply disappointed in the amount proposed for the financing of the new port and had hoped for adequate financial assistance in the amount of $55 million, especially in light of the Eisenhower–Popović conversation on Mar. 11 (see Document 173). Bebler indicated further that Yugoslavia wished to have direct Yugoslav-Italian negotiations on the question of reparations and that

Continued

and I did our best, but I should say that Bebler was all too well prepared to deal with the Dulles–Eden message. It must not be forgotten that here the top officials live, breathe and sleep with Trieste. It is a problem that for them is of paramount importance and on which they think both we and the British are pro-Italian. They will, therefore, try to extract from us every conceivable concession, and I have never thought that any sort of general appeals from even very high sources will evoke large concessions. I think every point will be fought over bitterly until they have gotten what they consider to be the last drop of juice. I think reparations is a good case of this, and there is no point in the Department making optimistic assumptions that have no basis in fact. On the question of the necessity for speed, I doubt if the Yugoslavs are the least bit impressed as negotiations in one form or another have been going on for years. They can also read the papers and find out that British and American dependents are returning to Trieste. In other words, we advance on this problem through a series of tough exchanges on every point, and I see no reason to assume that this will change in the near future. You will probably have observed from my message of late last night how ingenious the Yugoslavs are in face of the Dulles–Eden message. The Yugoslavs know quite well that unless the reparations question is settled simultaneously with Trieste that they will probably never get one thin dime from the Italians. This, I can only add, is probably highly realistic on their part. I hope we made some progress on minorities last night but that you will find out soon enough in London.

With sympathetic regards and the hope that some day you may see Vienna again,

As ever,

JIMMIE

Yugoslavia would press for a lump-sum settlement. There was also brief discussion of the minority question and other matters. The question of San Servola did not come up. This conversation was described in telegram 1117 from Belgrade, Apr. 13. (750G.00/4–1354)

No. 185

740.5/4-1954

The Ambassador in Italy (Luce) to the Secretary of State, at Paris[1]

TOP SECRET

ROME, April 19, 1954.

DEAR FOSTER: Before you see Foreign Minister Attilio Piccioni of Italy, may I urge you to read the enclosed memorandum of a conversation I had on Saturday last with Minister Massimo Magistrati of the Foreign Office. Count Magistrati is accompanying Signor Piccioni to Paris, and I gather will do much of his interpreting for him.

The memorandum may prepare you for some delicate, if not slippery angles on Trieste and EDC that are likely to develop in your meeting with Piccioni.

It seems to me that if a Trieste solution can soon be got, there is no good reason why EDC should not be ratified in Italy before winter.

As I know you are fully aware, regardless of what the Italians may say, they will not pass EDC until the Trieste question is at least within sight of settlement. But it is also well to bear in mind that there is absolutely no sense of urgency about EDC in the Government, as most Italians firmly believe that the USA has no alternative to waiting for it. This gives force to the point raised by the attached memorandum: quite apart from the Trieste question, the Government is capable of postponing EDC ratification, if by so doing it can in any way better its own party position.

I am also sad to report that the brief moment when it looked to me and to Bedell Smith as though the Scelba Government really intended to act vigorously all along the line on Western policy, using the debate on EDC in Italy as the signal for an all out political attack on the Communist problem,[2] is past. Unless you can offer a solid Trieste carrot, or raise some more vigorous stick to secure EDC ratification than any we have at hand here, I very much fear that the Scelba pro-EDC and anti-Communist drives will both proceed at the speed of cold molasses.

Piccioni, as you will also see from the enclosed memorandum, may mislead you on all these questions, partly because of his own unfamiliarity with them, and partly because he feels himself unfit

[1]Dulles was in Paris Apr. 21–24 to attend the Thirteenth Ministerial meeting of the North Atlantic Council; for documentation on this meeting, see vol. v, Part 1, pp. 508 ff.

[2]For correspondence between Luce and Smith on this subject during March and April 1954, see vol. VI, Part 2, pp. 1660 and 1671.

by preference, experience, temperament and capacity for his present position. . . .

But I have watched—as the whole world has watched—with increasing astonishment and boundless admiration the extraordinary and inspired way you have handled the difficult personalities and the portentous questions that have faced you in this crowded and crucial year. I suspect that Signor Piccioni and EDC and the Trieste question will not present you with too difficult a problem.

Cordially,

CLARE

[Enclosure]

Memorandum of Conversation, by the Ambassador in Italy (Luce)

SECRET [ROME,] April 17, 1954.

Count Magistrati of the Foreign Office called to see me at Villa Taverna at his request. He held forth at considerable length on the following subjects:

(a) The ratification of EDC
(b) The Trieste question

(a) The Ratification of EDC

Magistrati said that the President's message on U.S. Assurances to the EDC Countries[3] had greatly strengthened the chances of EDC ratification in Italy, but that the real danger EDC faced in Italy rose (a) from the internal political situation, and (b) from the status of the Trieste question.

He then described the internal political situation. There is every reason to believe that both the MSI (neo-Fascists) and the PNM (Monarchists) would vote for EDC (if only as an anti-Communist measure) if the issue is presented as an international and national issue, transcending all purely party considerations and polemics—i.e., *provided the Scelba Government does not tie up the vote on EDC to a vote of confidence in the Government.* Thus, the ratification of EDC by a large majority was a very real possibility, unless the Government itself deliberately used EDC as a political device to force its opposition on the Right (MSI–PNM) into a position where to vote for ratification would also be to vote for maintaining the present Coalition in power. He was plainly worried that Scelba, under the guidance of De Gasperi, intended to do just this. More-

[3]For text of this letter, transmitted in telegram 3394 to Rome, Apr. 15, see Department of State *Bulletin*, Apr. 26, 1954, pp. 619–620.

over, there is increasing evidence that Scelba is playing with the idea of winning some Nenni-Socialists support for EDC. I then told him that in my conversation with the Prime Minister on April 16,[4] Scelba had clearly indicated as much. Magistrati said this "confirmed his suspicions," and that in his opinion this was a dangerous and certainly in the end futile game. The Christian Democrats should know this from their experience in trying to woo the Nenni-Socialists to their side on the electoral law issue in 1951–52. There was nothing to be hoped from the Nenni-Socialists on support for pro-West policies.

Magistrati clearly believed that if EDC failed to pass, the fault would be the CD party-leadership's, for making EDC a partisan rather than a national issue. Moreover, if the government continued to insist on making EDC ratification contingent on a vote of confidence in the Government, EDC would certainly *not* pass, and the Government would probably fall, as this tactic would make it mandatory for the MSI–PNM right and even for some CD's to vote against it. It would then be terribly difficult to form a new government, and EDC ratification would not come to pass this year.

I told Magistrati that I had been increasingly aware of this disturbing situation and that my concern about the serious intentions of the Scelba Government re EDC dated from the failure of the Government to introduce EDC as urgency legislation which it could easily have done at the time. I said we were now also convinced that the votes for ratification were there—either by a slim majority with the MSI and PNM opposing, or a large majority with the PNM and even MSI voting for it if the Government was willing to pose the issue without linking it to a vote of confidence. I pointed out that the "excuse" we have been given until very recently was that the absence of a Trieste solution would, in itself, give the MSI, the Monarchists and even some CD's a plausible if not real reason to vote against it. Magistrati replied that while there certainly was a definite relation between the solution of the Trieste question and the ratification of EDC, Trieste was not as decisive a factor as many in and out of the Government pretended.

He then went on to discuss the Trieste question, beginning with the Secretary's letter to Scelba.[5]

(b) The Trieste Question

Two years ago, Magistrati said, it would have been easier for Italy to accept a compromise Trieste solution than now. Then, De Gasperi's government was strong enough to accept it, and public

[4]This conversation was reported in telegram 3268 from Rome, Apr. 16, printed in Department of State *Bulletin*, Apr. 26, 1954, pp. 619–620.

[5]Document 182.

feeling (in the era of large U.S. aid programs and a relatively weaker Yugoslavia) was not running so high on the issue. The climate for a compromise is much worse now because the Government is much weaker, U.S. aid has dwindled, Yugoslavia has grown stronger and more menacing, and above all, the long delay on the October 8th decision combined with the build up of tension because of Italy's self-restraint in this period have all made the situation much more difficult. A solution which is not better than October 8th would now be all but impossible for the Government to accept. If it did so, it would fall as a result of it.

Scelba, he said, was greatly disturbed because the Secretary's letter had made no mention either of the March '48 Declaration or of the October 8th. He wondered if this meant the October 8th decision had been scrapped. I pointed out that there was no need for the Secretary to mention October 8th, which was viewed even by the Italians as a temporary solution, as the Trieste question now posed itself in the London talks in terms of trying to reach a *permanent* settlement. Such a solution if found would naturally be preferable to October 8th, and therefore would obviate it. It was not necessary then for the Secretary to raise the question of October 8th in his letter, as he assumed no doubt that Italy understood we were working for a permanent solution. Magistrati indicated that the Foreign Office was greatly afraid that what would come out of the London talks would be "another diktat" like October 8th, but one less favorable to Italy. The optimistic "leaks" from Popovic in Belgrade fed this unhappy suspicion and spread alarm throughout the Foreign Office. I assured him there was no intention of facing Italy with a "diktat" solution. I told him very emphatically that we believed a reasonable solution which Italy would voluntarily accept was altogether possible as well as desirable, and that I hoped Italy would agree this was so, after the projected London meeting. Magistrati then said that the difficult problem was this: a *reasonable solution* was not necessarily one that Italian public opinion (which was unreasonable—i.e., "emotional and sentimental" about Trieste) could easily accept. For example, he, Magistrati, privately felt that it was a blessing in disguise that Italy had lost its colonies by the peace treaties. When he thought of France's problems in Indo-China and Morocco, he shuddered to think of the difficulties a poor and weakened postwar Italy might today be facing in Libya, Abyssinia and Eritrea if she still held them. Again, very few Italians had ever been to Trieste, and not one out of a thousand knew where Servola or Zaule were, and cared even less. Nevertheless, the Italian people suffered and continue to suffer a deep wound to their national pride because of the loss of these colonies and the failure to get the FTT back. That is why they now are

so emotional about Trieste. The problem, therefore, was not the reasonableness or unreasonableness *per se* of a Trieste solution, but how to get Italians to accept the last severe wound to their pride that any solution short of the return of the whole FTT would be certain to inflict. The long delay on the October 8th decision had further heightened the emotional tension and aggravated the sense of injured national dignity. Indeed, the successful implementation of October 8th (things going as they have) would be even better from a public opinion point of view than a reasonable solution of Trieste, since this could now be construed as a real victory over Yugoslav diplomacy and intransigence.

Moreover, in the present situation the news out of Ankara about the Turko-Yugoslav pact nations not only made Italians very nervous but "very thoughtful." What for example would Greece do, or France, if a Yugoslavian-Italian conflict broke out over their frontiers? Who would support whom in such a case where the two warring nations were all tied in criss cross pacts to defend one another within one grand alliance? It was all very confusing to public opinion. Italians, however, were on the record inclined to believe that they would probably get the worst of such a situation even though they were an EDC-NATO nation.

Magistrati wondered if, along with a "reasonable Trieste solution" some other compensation might not be simultaneously presented to Italian public opinion. He had no idea of what such compensation might be. For example, if it were possible (which Magistrati realized it was not) to assure Italy's entrance into the UN at the same time, or say, for Italy to be given some large and significant command in NATO, or some special important role in the EDC-EPO set up, or some special help to and recognition of her air force, or any role of world wide significance—though he could not precisely think what would "do" it, and believed in the final analysis nothing could compensate for the loss of Zone B—still it might be helpful.

The importance of the Trieste question now was that it is being used by Italians and abused by Communists to gauge the value the West attaches to the importance of Italy as an ally. Italian public opinion always saw Italy as thrust into the lackey's part of the lowly subordinate, the messenger boy, or poor relative of the Big Three, forever "taking orders" from her former conquerers and betters. The Communists, and perhaps not without reason, made much of the inferior colonial status the Big Three always assigned to Italy.

The virtue, Magistrati said, of De Gasperi was that he managed to dramatize the importance of Italy to the West by his early espousal of European integration. He managed to put Italy into a fa-

vorable international spotlight, and made a world figure of himself precisely because he could do so. But—Mr. Attilio Piccioni . . . ?[6] Magistrati was "very nervous" about the meeting between Dulles and Piccioni in Paris. Piccioni did not have either De Gasperi's or Pella's commanding personality, and he certainly did not have De Gasperi's experience and shrewdness. . . .

Nevertheless, Magistrati said the meeting between Dulles and Piccioni must be treated importantly, as Italian public opinion would be watching most attentively to see if the new Italian Foreign Minister would be given the same attention always accorded Eden, Bidault and Adenauer. The danger plainly was that Dulles would mistake Piccioni's ignorance of foreign affairs—especially the Trieste question—for acquiescence in all his (Dulles') ideas. The result could be unfortunate for all concerned.

It was plain that Magistrati (like the entire Foreign Office) was bitterly regretting the loss of a De Gasperi or Pella, and was facing Paris in a mood of deep uncertainty and discouragement.

CLARE BOOTHE LUCE

[6]Ellipsis in the source text.

No. 186

750G.00/4-2054

Acting Foreign Minister Bebler to the Secretary of State[1]

I wish to express my appreciation for the message of April 13[2] on the Trieste issue which you sent me in my capacity of Acting Secretary of State for Foreign Affairs. To my Government it was a new evidence of the desire of the United States and British Governments that an agreed and final settlement of that issue be found in the present negotiations, and this entirely corresponds to the wishes of my Government, too. Therefore, we also regret that the negotiations in London have suffered such a delay. However, we cannot agree with the opinion that the responsibility for it would rest upon us. On the basic, i.e., the territorial question, we have made the maximum possible sacrifices. We in fact conceded not only Trieste, but also the entire remaining part of Zone A, including pure Slovene areas both on the coast and in the hinterland. If

[1]This message was presented to Acting Secretary Smith by Ambassador Mates in Washington on Apr. 21. A memorandum of the brief conversation between Mates and Smith at that time is in file 750G.00/4-2154.

[2]Transmitted in Document 183.

today it can be said that this question—the most difficult one—is settled, it should be noted that the settlement was reached exclusively owing to our utmost conceding.

We have expected that our good will and sacrifices as to the fundamental question would be reciprocated by a favorable attitude toward our position on the other, relatively minor points. We expected that on these points such solutions would be found which would make it possible for our public opinion to accept, though with deep dissatisfaction, the entire settlement of the issue, and this not as an imposed solution but as a real agreement. Indeed, only such an agreement would be what all the interested Governments ought to be striving for—the avenue to still better relations between Yugoslavia and the Western Great Powers, and to good neighborly and friendly relations between Yugoslavia and Italy.

Yet to our regret we had to note that we could not find the expected understanding by our partners in the negotiations, and this just in the present final stage of the negotiations in which extreme efforts with a view to reaching an agreement on all the questions are made on our side. In these efforts we accepted the compromise proposals of our partners on a series of questions such as the Statute of the Trieste Port, the future consular representations, etc.

Nevertheless some questions are still open although in regard to them too the Yugoslav side made considerable concessions. These are: the question of funds for the development of Kopar, which is indispensable for the needs of the direct hinterland of Trieste deprived of its civic and economic center; the question of reparations which can be quickly resolved with a minimum good will from the Italian side; and the question of the protection of the new Yugoslav ethnic minority which will fall under Italian authority upon the annexation of Trieste to Italy.

To this last matter public opinion in Yugoslavia is extremely sensitive. The fate of Yugoslav minorities under Italy in the past—particularly between the two wars—as well as at present, has been and remains one of the principal moral impediments to friendly relations between Yugoslavia and Italy. My Government considers it, therefore, absolutely essential that the agreement on Trieste should include as its component part such provisions which our public opinion could consider as a sufficient guarantee against any future denationalizing pressure on the new Yugoslav minority in Italy.

In view of the above we anticipate in London: First, that the AMG in Trieste will assume the obligation to restitute and indemnify as soon as possible and in any case prior to the Five Power Conference the estates of Slovene cultural organizations (Homes of Culture) which had been taken under the fascist rule. Second, that

the Agreement on Trieste will contain such principles of the Minority Statute as the equality of both languages in that area, the right of the minority to an unhampered cultural life, schooling, etc. (this Statute would apply also to the Italian minority in the region incorporated into Yugoslavia). Third, that Italy will assume the obligation—in whatever form, even if by a unilateral declaration—that Trieste and the Trieste region shall receive a certain autonomy (self-government) within Italy, which is indispensable both because of its bilingual character and its specific economic function (for this latter reason the entire Trieste population regardless of ethnic origin wishes and expects such autonomy).

In our view the above position will entirely be acceptable to the other Governments concerned, including the Italian Government. Therefore, in our judgment the agreement on the Triestè issue is within reach. We are confident that with due regard to the above circumstances, in a search for a settlement politically acceptable to Yugoslavia, mutual efforts could result in an agreement within the shortest time.[3]

BELGRADE, April 20, 1954.

[3]The source text is not signed.

No. 187

396.1 PA/4-4254: Telegram

The Secretary of State to the Department of State[1]

SECRET PARIS, April 24, 1954—7 p.m.

Secto 12. Limit distribution. Italian Foreign Minister Piccioni called on me this morning. Following is résumé of our talk: Piccioni said he wished to explain to me briefly and very frankly the Italian situation.

1. Trieste. Trieste is Italian Government's greatest single problem. It is highly emotional question and vitally affects not only Italian action re EDC but future internal developments in Italy. Italian Government has introduced EDC into parliament but favorable parliamentary action not possible unless Trieste settled. If there is a favorable solution to Trieste or a clearly defined indication that a definite solution is in offing, Italian Government can count on additional support for EDC, particularly from Monar-

[1]Repeated for information to Rome, Ankara, Athens, Belgrade, and Geneva. The portion of this telegram which dealt with Trieste was also summarized in telegram 5656 to London, Apr. 26. (750G.00/4-2654)

chists. Also Trieste solution will deprive both Communists and political right of a propaganda weapon against EDC.

2. Greek-Turk-Yugoslav-Balkan Pact. Desire to transform this Balkan Pact into a military alliance is viewed with extreme gravity by Italian Government. Piccioni purposely refrained from raising this at April 23 NAC meeting. However, trend toward tripartite Balkan military alliance has two serious aspects:

(a) It will deeply affect NATO because such an alliance by two NATO members with a non-NATO member may indirectly involve other NATO members in commitments or course of action over which they have no control. Therefore, this is matter for NATO consideration.

(b) Italy will never give its consent in NATO to the extension of the Balkan friendship treaty into a military alliance until Italy's relationship with Yugoslavia has been normalized. Italy holds that without NATO approval, Greece and Turkey are not free to make such military alliance. However it goes without saying that once relations between Italy and Yugoslavia are normalized, Italy would do everything it could to strengthen the defenses of this area.

3. Anti-Communist Action by Italian Government. The Italian Government has recently taken steps for more active struggle against communism. This effort is most important but government should not have to fight on two fronts, that is, both the Communists and increased unemployment at the same time. An increase in unemployment from lower offshore procurement would make government's position extremely difficult. Italian Government understands that anti-Communist action would have good effect on US opinion, but present anti-Communist campaign will not pay off immediately. In other words, Italy needs medicine in form of offshore procurement while it is still sick and not after it has recovered from its illness.

4. Piccioni and Scelba would like very much to see the Secretary and hoped he could come to northern Italy to meet with him during his stay at Geneva.

The Secretary replied to above presentation as follows:

(1) He was glad that NAC meeting afforded him opportunity of frank exchange of views with Piccioni. US does not regard Trieste as minor problem; it is major problem and receives constant attention at highest level, including President. Secretary believed considerable progress made in talks with Yugoslavs and now possibility of a solution which, while not altogether what Italian Government would like, nonetheless, would give large measure of satisfaction to Italy's legitimate aspirations. He hoped at an early date we would be in position to talk with Italian Government about this.

(2) Re Balkan Pact. Secretary agreed it was wise not to raise this matter in NAC. He had let our view in this respect be known to other governments which had queried us whether it would be fruit-

ful to discuss Balkan Pact in NAC April 23 meeting. As general observation, US did not believe effective military planning in this area could proceed successfully without settlement of Trieste and normalized relations between Italy and Yugoslavia.

(3) Re Offshore Procurement. Secretary said he was not in a position to discuss this. It is a matter which has been given much thought by Defense, FOA and State, but Secretary was not fully familiar with most recent detailed aspects of problem.

(4) Secretary asked Piccioni to express his sincere thanks to P.M. Scelba and to inform him he would like opportunity to meet with him in northern Italy for at least a few hours. In light of Geneva, he could not make definite commitment but would keep in touch with Italians through Ambassador Luce.

Piccioni said he had one word to add. He knew US recognizes importance of early solution re Trieste, but because of this urgency Italy did not wish to be confronted with a request for direct negotiations between Italy and Yugoslavia. They had in past unfortunate experiences with direct talks and any exclusively bilateral negotiations would have no chance of successful conclusion.

DULLES

No. 188

740.5/4–1954

The Secretary of State to the Ambassador in Italy (Luce)[1]

TOP SECRET GENEVA, April 28, 1954.

DEAR CLARE: Thanks for your letter of April 19 with its enclosure.[2] I read this before seeing Piccioni. Also, you will have received my telegram reporting my talk with him.[3]

I think I did reassure him with respect to the importance we attach to Trieste. I hope he does not feel that Trieste is lost in our thinking about other matters. In fact, I am constantly thinking of the Trieste problem. When I was in London ten days ago, Anthony Eden and I had a full review from our ambassadors with respect to developments. I think some progress is being made, but all too slowly. I did what I could to speed matters up.

If I do not have to return via Paris, I may return via Milan, and accept Scelba's invitation to meet with him thereabouts. If I do that, I would of course hope that you could be present.

With many thanks for the last paragraph of your letter, I am

Sincerely yours, JOHN FOSTER DULLES

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[1]Dulles attended the Geneva Conference Apr. 24–May 3.

[2]Document 185.

[3]*Supra.*

No. 189

611.65/5-454: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET ROME, May 4, 1954—9 p.m.

3514. Limit distribution. While Italians advised previously in firmest manner Secretary would not bring up Trieste question and wished to talk on broader aspects of international problems, particularly EDC, Scelba spent most of his time discussing Trieste. Following is summary of frank 2½-hour Milan discussion May 3:[2]

Scelba in first hour brought out following points:

1. He stated wished to speak in the most friendly but frank manner on mutual problems. He pointed out absolute necessity all democratic nations stick together to fight Communist menace, that what was needed was actions not words. Stated while he had only parliamentary majority of 8, he would continue De Gasperi's firm policy for NATO and EDC. Added Italy has done much in military field as proof of her adherence to Atlantic Community.

2. Trieste: Although Italy's particular problems are basically small compared to others, solution of these problems would greatly help her progress toward EDC and European Community. However, stated unequivocally and confidentially that unless Trieste solved satisfactorily for Italian public and Parliament, would be impossible pass EDC despite government and democratic parties full realization EDC essential to Italy. Added while he had tried to divorce EDC and Trieste, this proved impossible because of internal political factors. Stated while he obliged make categoric statement re impossibility EDC without Trieste, he would not state so publicly. Scelba then said urgency re Trieste due to lack of implementation October 8, adding Italian public believed we could now implement October 8 and could not understand delay. Pointed up urgency Trieste solution since knew it imperative for Italy pass EDC soonest.

Added since October 8 (a) Tito had closed Zone A–B, (b) 4,000 Italians compelled leave Zone B, (c) economic situation for Zone A greatly aggravated. Scelba confident US–UK cognizant Italian desires re Trieste. Then added (ominously) (a) not possible Italy accept temporary solution other than October 8 which US–UK could grant today if they desired (b) not accept a final solution lim-

[1]Repeated for information to London and Belgrade.

[2]Dulles routed his return trip from Geneva to Washington through Milan where he met with Scelba at a villa near the Milan Malpensa Airport. Others present at the meeting were Luce, Merchant, Durbrow, and Engle for the United States, and Piccioni, Zoppi, and Canali for Italy.

ited to Zone A. Pointed out his government could not accept solution less acceptable than October 8 offered Pella. Assured, however, that whatever solution, Italy would not resort to force to obtain Zone B concessions. Requested pending solution closed zonal frontiers should be opened and consideration given to Italian *émigrés*.

Scelba stated Trieste's international problem; therefore Western Powers should take positive action to reach solution, not defensive attitude. Pointed out in general West defective in actions vis-à-vis East basically being on defensive versus USSR. He made it clear that while Yugoslavs not satellites, he considered them as Communist regime to be basically "on Eastern side".

3. Economic problems: Scelba stated economic situation not good with 2 million unemployed, 1.5 million under-employed and 1 million new job seekers coming into labor market next few years which made necessary Italy receive additional aid fiscal 1955. This necessary because Communists using large numbers seeking employment as their best anti-democratic weapons. After thanking Secretary for his excellent Geneva speech on immigration, Scelba stated difficult to understand, as he had learned from press and other sources, why Italy not slated for economic aid fiscal 1955, while Yugoslavia, Greece and Turkey to get aid. He pled for special consideration re aid because of size of Italy, unemployment and unstable economic situation. Stated frankly many Italians had impression we had little confidence in Italy while seemed to show more confidence in Yugoslav Communists and others. He then brought forth following idea, apparently based upon misinterpretation of statement in Secretary's letter of January 14[3] regarding OSP, etc., which indicated we prepared give more aid to Italy next year on *quid pro quo* basis. Ignoring *quid pro quo* emphasis of letter Scelba asked that as part of 1955 aid we send highly qualified technicians to Italy to study entire economy with purpose of transforming it into more viable entity. Pointed out government has now launched plans to do what it can to remedy unemployment situation, but indicated source of funds not yet clear. He requested Secretary to give most serious and careful consideration to granting additional aid and sending technicians.

4. Hydrogen bomb: Scelba assured Secretary Italian Government will take a most firm position in favor of possible use of H-bomb, which he hopes will never have to be used since it is the best guarantee of peace and the only way West can match large Soviet military strength.

5. Balkan pact: Re Balkan pact Scelba stated Piccioni had made Italian attitude this subject quite clear in Paris.[4]

Secretary in frank reply brought out following points:

(1) He and US public opinion had received good impression of vigorous and realistic policies being followed by Scelba's Government and his anti-Communist moves.

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[3]Not printed.

[4]Regarding the conversation between Piccioni and Dulles in Paris, Apr. 24, see Document 187.

(2) Secretary was pleased to learn views of both governments re Communist peril were similar. Threat can only be met by vigorous methods. Secretary pointed out Kremlin had formed monolithic, highly-disciplined groupings of some 800 million persons, and was trying now to expand its control, particularly in Southeast Asia. The Soviet type of enforced unity calls for vigorous efforts, for voluntary unity by others which entails voluntary sacrifices, many of which US has already made in trying to assist its friends financially and militarily since war. Unless Europe voluntarily is united, it might well be united in the Communist fashion. This, of course, would also include Italy.

(3) Lack of European unity: Secretary stated he would be lacking in candor if did not state there is rising discouragement in US at lack of European unity. Our economic aid since the beginning had as its objective the unification of Europe, but many Americans now feel this aid may have been used merely subsidize old systems and maintain disunity of Europe. There are some in US who feel might bring about greater unity by stopping US aid so that force of reality and consequences would cause Europeans on their own to unity. There is great disappointment in US over slow progress EDC ratification by Italy and France. Europe facing critical situation; unless they should immediately take vigorous steps to unify, time might well pass when unification would be possible. Some countries seemed believe only reason for unity was to please US, but there are many more fundamental reasons for unity than this.

(4) Trieste: Secretary made it quite clear he could not discuss any way urgent Trieste soundings in London. Added while he fully understands importance of Trieste to Italy, would be quite wrong for any one believe that holding up ratification of EDC could be used bring about more favorable solution Trieste. If European unity should not come about, Trieste question would not be very important in face of possible serious developments which might take place. When Piccioni pointed out consideration must be given to individual sentiments of countries for problems such as Trieste, Secretary replied that if matters like this permitted to perpetuate disunity it could only lead to eventual war or Kremlin unification of Europe.

Secretary pointed out US–UK doing all that they can to try to work out an equitable, acceptable Trieste solution. He realized fully the importance of Trieste to Italy, as did the President, both of whom fully cognizant of many problems involved. Secretary added were using all our resources to get a solution along lines October 8th, which was itself just a mere skeleton first step proposal. While he did not believe any solution arrived at would be fully welcomed by all, the other stakes were so large that Italy and Yugoslavia should be prepared to make sacrifices for the bigger issues. When Scelba pleaded for implementation of October 8 now or a "temporary" solution, Secretary pointed out while Italy might believe she able wait in hopes of getting better solution, he assumed any solution now would be final as far as humanly possible. We added that if Italians believed that any solution that might be worked out now would be temporary and thus perpetuate hatreds and tensions between Italians and Yugoslavs, we perhaps are wast-

ing our time trying find solution. Secretary then reverted to EDC, pointing out Italy had excellent opportunity to enhance its international position by passing EDC regardless of Trieste. Scelba unrealistically interpolated that if we should now implement October 8th, this would help Yugoslavia and Italy to get together and lead to a final solution. Both Piccioni and Scelba endeavored make comparison between Saar and Trieste, with which comparison Secretary did not concur.

(5) Economic aid: Secretary stated not in position discuss aid since he did not know plans. Added in continuing help build up the NATO forces we are not favoring the Yugoslavs, Greeks or others more than Italy, with whom we have, and wish to maintain, best of relations. Our aid depends on the relative military and economic situation of each country. Secretary promised, however, to give consideration to Scelba's request for aid and the despatch of high-level technicians.[5]

(6) Facilities: Secretary inquired when Scelba thought he could sign facilities agreement which has been in negotiation for 15 months, adding that while this was not the most important matter, the signing of the agreement would give considerable financial aid to Italy. Scelba was unable to give definitive answer on date stating two or three "juridical" points still to be solved since, because of Communist Parliamentary strength, wished to make sure that could sign an executive agreement and not have to pass through Parliament. Scelba promised deal personally with matter and expressed hope difficulties would be ironed out in near future.

(7) At end of discussion Scelba pled for more coordination in anti-Communist propaganda by democratic countries, pointing out Moscow has central control of all its propaganda which unfortunately sometimes was effective, such as peace partisans campaign against H-bomb and EDC. Scelba expressed desire for a centralized control of democratic propaganda where ideas would be pooled and offensive democratic propaganda developed.

In closing the Secretary stated he could not give definite indication when it might be possible discuss Trieste with Brosio but hoped that it might take place in next two weeks. Secretary pointed out that it was essential, in order not to jeopardize the strenuous efforts US–UK have made in reaching Trieste solution, that nothing be done in Italy through the press or otherwise which might have an adverse effect in Yugoslavia.

Both expressed appreciation opportunity have frank friendly talk.

Department pass Paris and Trieste if deemed advisable.

LUCE

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[5]Regarding the consideration within the U.S. Government of Scelba's request, see the Secretary's letter to Stassen, May 14, and Stassen's reply, May 18, in vol. VI, Part 2, pp. 1681 and 1684.

No. 190

Belgrade Embassy files, lot 58 F 35, "Trieste May–June 1954"

The Ambassador in Yugoslavia (Riddleberger) to the Deputy Assistant Secretary of State for European Affairs (Bonbright)

SECRET
INFORMAL–PERSONAL

BELGRADE, May 7, 1954.

DEAR JAMIE: I have just read the memorandum of April 20 setting forth Luciolli's bill of complaints[1] and I must say I admire your patience. Would it not be possible occasionally to remind the Italians that the present procedure was the result of their refusal to go into a conference? Otherwise, we would all be sitting down together and this impression of chumminess with the Yugoslavs would not exist. I remember when I was in Germany the last time that the Department occasionally instructed us or allowed us to remind the Germans from time to time that there had been a war of aggression in which they had been defeated and that certain consequences flowed therefrom. This sometimes helped when the Germans got too fresh, and perhaps the same sort of reminder to our Roman friends might be salutary.

As to complaints about publicity, of course I get the same thing here from the Yugoslav side about the Italian press and government leaks. And, while I am on the subject, my personal opinion is that it has been a miracle that the whole story has not been spilled to date. Far too many people know the present state of affairs including the Italians, I am persuaded. I should not be the least bit surprised to read an accurate account in the press *at any time*, particularly after the Secretary's visit to Milan. I am sure there are many good reasons for this trip of which I am not cognizant, but I confess to an unmitigated astonishment when I read it had been decided as I was sure it would lead to tremendous publicity and speculation on Trieste in the press. I thought this was just what Mrs. Luce wanted to avoid until we were ready in London to approach the Italians and now we bring down this deluge of speculation at this time. So many stories are circulating that someone is certain to get close to the truth sometime soon.[2]

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[1]Not found in Department of State files.

[2]According to *New York Times* correspondent Cyrus Sulzberger's diary entry for May 6, he dined with Ambassador Riddleberger that evening and showed Riddleberger a story he was dispatching "on the new secret formula for Trieste." Sulzberger stated that Riddleberger confirmed the story entirely and was too discreet to ask where Sulzberger had obtained it. Riddleberger said with delight, "I'll bet this will send Luce into a tizzy." These and other comments by Riddleberger regarding Ambassador Luce and Trieste are included in Sulzberger's *A Long Row of Candles*, pp. 1005–1006.

If we are going to continue to give economic aid to Yugoslavia, it is a pity we have not been able to juggle the bookkeeping a bit so that I could promise something additional now. I know what problems this presents to the Department and I have every sympathy with them. However, had we been able to do a little more, I am sure I could have buttoned up the package deal with Koca Popovic last week. I dislike intensely giving way to any form of blackmail, be it on this side of the Adriatic or the other and I suppose that everything the Yugoslavs ask for has to be doubled in order to meet the demands that will be forthcoming in Rome. On the other hand, all of this is peanuts in comparison with the military program and I sometimes wonder if the master minding in Washington is being done by some fellow who is fast in his calculations. From my ECA days in Paris, I remember all too well the kind of mathematical manipulation that can be done towards the end of a fiscal year if someone in the right place applies himself to it. You will, no doubt, yourself recall several examples.

Baudet, the French Ambassador here, has just returned from Paris very depressed over EDC prospects. This is too bad and I am not sure that my clients here have helped very much with their kind, if unexpected, words. Something tells me that the French Assembly will not be stirred by Tito's offer although given the Yugoslav distrust of Germany, and the size of its army, it might help provide a counterweight to German forces.

I saw my first May Day Parade last Saturday and I must say that I was impressed. This, my dear Jamie, is a military country and I speak as one who has spent most of his European days in military countries.[3]

[Here follow personal remarks.]

As ever,

JAMES W. RIDDLEBERGER

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[3]This letter was not sent until May 13. Riddleberger added the following postscript, dated May 13:

"Thanks to the fact that we have only one classified pouch per week, my secretary tells me my letter will only go off today and in rereading it I see it is very much out of date. However, I send it along for what it may be worth and shall not try to bring you up to date here as that has been done in recent telegrams. The Trieste affair is an awful mess at the moment, but perhaps we can straighten it out without too much damage being done. I have now found out that Cy Sulzberger knew the whole story when he arrived in Yugoslavia. This does not excuse Tito, but it does confirm some of the Yugoslavs' suspicions. Cy told me he had picked up all essential points in Italy and I assume he was determined to use them to obtain confirmation from Tito."

No. 191

Editorial Note

On May 8, the *New York Times* published a report by Cyrus Sulzberger disclosing most of the details of the plan for resolving the Trieste dispute that had been worked out in the secret negotiations in London. The following day, it published a report by Sulzberger on his interview with Tito at Bled on May 8, in which Tito had discussed his own plan for a settlement on Trieste, one which Sulzberger said closely resembled the plan being considered in London. On May 11, the Yugoslav newspaper *Borba* published the full transcript of the Tito–Sulzberger interview.

In telegram 1206 from Belgrade, May 11, Ambassador Riddleberger pointed out that the *Borba* version differed from the Sulzberger story in that it showed that Tito did not take the initiative in disclosing the elements of the London negotiations, but that he only replied to skillful and well-informed questioning by Sulzberger. Riddleberger said that it was plain that Tito had confirmed publicly many, but not all, of the essential elements of the proposed package deal. (750G.00/5–1154)

As a result of these disclosures, the Department of State instructed Ambassador Luce to inform the Italian Government of the United States displeasure at Tito's actions and to say that both the Sulzberger and *Borba* versions were inaccurate in certain respects. Luce was also to indicate that within a short time the United States and the United Kingdom expected to be able to propose to the Italian Government a basis for discussion which would lead to a satisfactory settlement and to ask the Italian Government not to make any statement which would prejudice the possibility of achieving a settlement. (750G.00/5–1154) In telegram 3645 from Rome, May 12, Luce reported that she had communicated these views to Zoppi, who, in the course of their conversation, handed Luce an informal paper presenting a statement of the Italian Government's displeasure over the disclosures. (750G.00/5–1254)

No. 192

760.5/5–2354: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, May 23, 1954—3 p.m.

5289. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. Realize more involved than Trieste negotiations and that I am not in position judge our policy vis-à-vis Yugoslavia but believe we must bring matters to a head and do not see why in face of outrageous Yugoslav attacks we should remain on defensive. Belgrade's 378.[2] Could we not by note or in Belgrade forcefully present following bill of particulars?

Yugoslavs have drug out negotiations for nearly four months. We would have good reason to believe they are deliberately playing for breakdown. At start of negotiations it was agreed that they would remain secret until concluded, yet to our certain knowledge a responsible Yugoslav official (Bebler) has deliberately and repeatedly informed members of diplomatic corps not to mention Tito's public statement. Yugoslav Government must have been aware of extent to which such disclosures would make settlement more difficult. Early in negotiations Yugoslav representative stated his government realized settlement would become permanent but could not say so publicly because of effect on public opinion. Now after months of negotiation Yugoslavia reverses position based on statements Italian officials which they knew would be made and which they have provoked by deliberate leaks. What promises on definitive nature of settlement does Popovic refer? We are sticking to our willingness to make statement of non-support and to ourselves

[1]Repeated for information to Rome, Belgrade, and Trieste.

[2]In telegram 378, May 22, Riddleberger described the *démarche* he had made that morning to Foreign Minister Popović requesting the Yugoslav Government to delay making any public announcement concerning further concrete developments toward a formal alliance among Yugoslavia, Greece, and Turkey, because the United States felt Italy would react strongly to such an announcement and it might upset the very delicate negotiations in London on the Trieste question. Riddleberger said that he had never seen Popović so upset. The Foreign Minister said the *démarche* was another example of U.S. policy being dictated by Italian desires. He asked in what way were vital Italian interests adversely affected by converting the Balkan *entente* into a military alliance which could only strengthen the Western system of defense on which Italy depended. Popović expressed extreme bitterness about the state of the London negotiations and complained that the U.S. and U.K. negotiators were again attempting to water down the definitive character of the settlement. Riddleberger recommended to the Department of State that, if it wanted to persuade Yugoslavia to delay any announcement regarding the Balkan Pact, it should make a determined effort to agree upon language which Yugoslavia could accept regarding the definitive aspect of the Trieste settlement. (760.5/5–2254)

regard settlement as permanent. That is entirely different matter from our undertaking to make Italians sign and ratify statement that settlement is definitive which we never agreed to do. Text of declaration of non-support has been unchanged although we did refuse accept it as statement that settlement was final. Believe we should react vigorously to suggestion that we are acting under Italian pressure and make clear that despite Yugoslav bad faith, we have still not discussed either substance or procedure of settlement with Italians. If latter seems strong expression we could point out that we agreed give Yugoslavia additional economic aid on condition it not be connected to Trieste settlement yet Yugoslav Government and Tito in public statement have deliberately connected these matters. If this attempt at settlement now fails, fault will clearly be that of Yugoslav Government.

Recommend representations along these lines if Yugoslav reply not satisfactory.[3]

ALDRICH

[3]In telegram 3817 from Rome, May 24, Luce reported that she thoroughly agreed with Thompson's views regarding what she called Popović's "unsupportable" diatribe to Riddleberger. In view of the fact that the Trieste issue could explode in Italy at any moment, Luce advocated, among other things, a course of action in which the United States would abandon its role of fair-minded negotiators and become forceful arbiters of the Trieste question if Yugoslavia continued to give evidence of "deliberately trying to sabotage" any agreement in London. (750G.00/5-2454)

No. 193

750G.00/5-2454: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET NIACT BELGRADE, May 24, 1954—7 p.m.

1252. 1. As I was reading London's 5289 to Department,[2] Foreign Secretary requested me to call this afternoon to receive reply our *démarche* re Balkan *entente* and Trieste. Reply to *démarche* in immediately following telegram.[3]

2. In order dispel any misapprehension should make clear that we have maintained unremitting pressure on Yugoslav Government since the interview Mallet and I had with Foreign Secretary

[1]Also sent to London and repeated for information to Rome and Trieste.

[2]*Supra.*

[3]The text of the Yugoslav reply was transmitted in telegram 1253 from Belgrade, May 24. (750G.00/5-2454)

on March 31 (Embtel 1061[4]). This pressure has been applied primarily to territorial questions, aid, autonomy, and more recently on the definitive aspects of Trieste settlement. Belgrade is small capital in which principals in this affair meet frequently and no opportunity has been missed to support Thompson and Department's instructions to the fullest. If I have contented myself with merely outlining the general line of my argumentation, it is because I am mindful of Department's admonitions on telegraph expense and to avoid interminably long messages. My interview with Popovic on May 22[5] was case in point and in this long wrangle I covered in effect every suggestion made by Thompson in London's 5289. To particularize, I have reproached Bebler for his indiscretions as have the British. I have reminded Yugoslav Government disclosures would make settlement more difficult. I have told Popovic in plain words that Velebit had taken a position earlier which did not correspond to what he said to me. I have reiterated and emphasized our willingness to regard settlement as *de facto* permanent and cited our declaration of nonsupport. I have told both Bebler and Foreign Secretary that Italian ratification is out of the question. I have reproached Popovic for having given out information on additional economic aid and have wrangled with him on entire aid question for hours at a time. As to our promises on definitive nature of settlement, I can only refer to Department's most precise instructions to me before London meeting was convoked.[6] My opinion is that Yugoslav Government does not believe us when we say we have not discussed London negotiations with Italians but I have done my best to convince Foreign Secretary.

3. I fully realize how wearing London negotiations must be but Trieste is a matter which involves deep national feelings not easily overcome. When I recall that negotiations Kehl[7] consumed over a year with none of the animosities involved in Trieste, I do not become discouraged over the four months devoted to the London negotiations. It seems to me that we are now approaching agreement with Yugoslav Government that so resembles October 8 as to make Italian acceptance at least theoretically possible, although I recognize that some difficult hurdles remain. This is a consummation so devoutly to be desired that no effort will be spared by us to accomplish this end.

4. The argument with Foreign Secretary on May 22 re Trieste negotiations was exhaustive and exhausting. I did not recede one inch

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[4]Document 179.

[5]See footnote 2, *supra*.

[6]No record of these instructions has been found in Department of State files.

[7]For documentation concerning the Kehl negotiations, see *Foreign Relations*, 1949, vol. III, pp. 1 ff.

from positions that Thompson had taken in London and we fought over every important point with considerable bitterness on his side and firmness on mine. Feeling that perhaps this interview was crucial, I marshalled the entire array of our arguments and perhaps left him with the impression that the negotiations were about to break down. At one point I told him that it was thanks to our foresight and to our generosity that Yugoslavia was not experiencing a food crisis today and I reminded him that such attitude was hardly consistent with his charges of Italian influence on US policy. I cite this merely as examples of what has gone on in this long and difficult negotiation.

5. At interview this afternoon Foreign Secretary informed me that Velebit has now been instructed to accept latest formula proposed by US–UK. As I am not entirely certain of exact wording on which Thompson and Harrison have agreed, I was not in position to discuss text. I did, however, ask if this meant that question of Italian ratification had been dropped and Popovic replied in the affirmative. I asked if these latest instructions in his opinion would allow us to conclude London negotiations promptly and he said he thought we were at the end.[8]

RIDDLEBERGER

[8]In telegram 5343 from London, May 25, Thompson reported that agreement was reached at a meeting with Velebit that day on all points except the description of the new boundary. (750G.00/5–2554) In telegram 5319 from London, May 25, repeated to Belgrade, Rome, and Trieste, Thompson said that he greatly appreciated the support he had from all concerned and expressed regret that his recent telegrams were open to the interpretation that he was criticizing the handling of matters in Belgrade. He explained that these telegrams were meant to convey his opposition to what he considered unjustified Yugoslav demands and tactics likely to jeopardize the possibility of obtaining final agreement by Italy. (750G.00/5–2554)

No. 194

EUR/RA files, lot 54 D 514, "Trieste 1954"

The Deputy Assistant Secretary of State for European Affairs (Barbour) to the Ambassador in Yugoslavia (Riddleberger)

TOP SECRET [WASHINGTON,] May 27, 1954.
PERSONAL INFORMAL

DEAR JIMMIE: Your letter to Jamie of May 7[1] apparently got stuck somewhere along the line, and I find it unanswered as I take over his desk.[2]

With the good news of yesterday events seem to have overtaken most of the points that were on your mind, and I think you will agree that now that we are about to open the second phase of the Trieste exercise there is not much to be gained, and in fact it would probably be harmful, to call down the Italians as you suggested. Of course, we were aware of the risks in the Secretary's Milan meeting, but thought on balance that it was desirable.

With the second phase of the negotiations about to open, the boot shifts to the other foot on the subject of leaks. Whatever may have been the original source of the previous leaks, and the information Cy Sulzberger picked up in Italy (some say it was the Yugoslavs here through the French and some doubt it; others refer to Bebler's talk to the French Ambassador in Belgrade), it now becomes of the utmost importance that the Yugoslavs do not leak the substance of the tripartite understanding just arrived at. If they do, the Italians will certainly have to get improvements to save face, and it could easily lose us a settlement. I can foresee the possibility that if the Yugoslavs get nervous or exasperated about how the second phase of the negotiations are going, they might be tempted to leak. We may work up a telegram to you on this point, but in any case I know you will have it in mind.

The Secretary's telegram of congratulations to you of yesterday[3] was sent with the heartfelt endorsement of us all.

Sincerely,

WALWORTH BARBOUR

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[1]Document 190.

[2]Barbour succeeded Bonbright as Deputy Assistant Secretary of State for European Affairs on May 27.

[3]The Secretary's congratulations were conveyed to Riddleberger in Belgrade on May 26. (750G.00/5-2654) Congratulations were also sent to Thompson in telegram 6367 to London, May 26. (750G.00/5-2654)

No. 195

750G.00/5-2754: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, May 27, 1954—6 p.m.

5387. Limited distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. At meeting today Velebit again proposed to send us letter and presented draft containing unacceptable caveats. Was persuaded drop letter entirely in return for our agreement include following sentence at end of first paragraph agreed record. "The Yugoslavian representative made it clear that should agreement not be reached as a result of the current negotiations the Yugoslav Government would not consider itself bound by the provisions of this record".

Velebit airmailing text Belgrade today and hopes initial Monday[2] at latest. Italian holiday Tuesday. Hope inform French and begin negotiations Italians Wednesday.

On question financial settlement Velebit said his government would accept $15 million as partial settlement or $30 million in full settlement payable in goods over three years. (Although this my exact prediction I have never made any suggestion to him as to amount of possible settlement.) Velebit also agreed that Yugoslavia should be satisfied if memo of understanding could contain merely reference to financial negotiations provided we could obtain privately firm assurance from Italians of sum acceptable to Yugoslavs.

Velebit agreed to position on aid contained in my telegram 5106,[3] but believe would be useful if this could be followed up by Embassy Belgrade.

Velebit also agreed to my request that no announcement be made completion of talks with them and said was agreed no statement should be made until settlement reached.

Yesterday at social function saw Brosio for first time and told him we had virtually concluded with Yugoslavs. He contemplates long negotiation and remarked hoped we could finish by August.

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[1]Repeated for information to Belgrade, Paris (eyes only Ambassador), Rome, and Trieste.

[2]May 31.

[3]In telegram 5106, Thompson suggested that the United States make clear that the question of aid was entirely separate from the question of the Trieste settlement, and that, while the United States would consider sympathetically any Yugoslav request for the use of counterpart funds to construct communications and other facilities which might be considered necessary as a result of the Trieste settlement, it was not making any specific allocation of aid for this purpose. (750G.00/5-1354)

Also said re publicity we could not expect Italians behave so well once negotiations with them start.

Hope reach full agreement over week end with British on tactics. Believe most important that in Rome, Washington and here we convince Italians that while we have been careful leave way open for full consideration their views we are certain that on points covered we have pushed Yugoslavs to maximum position. Should Italians endeavor as Brosio implied pressure or influence us by stirring up public opinion against any essential element of proposal they will only be making trouble for themselves. Believe successful outcome negotiations may depend upon acceptance by Italian Government this basic fact.[4]

ALDRICH

[4]In telegram 6413 to London, May 28, the Department of State reported that the last paragraph of telegram 5387 from London raised an important question of tactics. It expressed the tentative view that if the United States undertook in Washington and Rome to impress upon Italy that Yugoslavia had been pushed to its maximum on the points covered, the discussion would likely involve the substance of the various points. The Department of State felt that Thompson should be the primary mouthpiece for discussion of the substantive elements and that whatever it might prove desirable to say in Washington or in Rome in support of Thompson's positions, should be carefully and precisely defined in advance. (750G.00/5–2754)

No. 196

750G.00/5–2854

The Ambassador in Italy (Luce[1] to the Chief United States Negotiator in London (Thompson)

TOP SECRET ROME, May 28, 1954.

MY DEAR MR. AMBASSADOR: Now that the soundings with the Yugoslavs have come to a successful close, I am writing you to express my admiration for the manner in which you have so brilliantly conducted the negotiations, steadily hammering back the Yugoslav demands until you have gotten them to positions which, I believe, can be presented to the Italians with hope of acceptance.

I do not envy you the forthcoming talks with the Italians which in some ways may be even more trying than the soundings with the Yugoslavs. I know it must have been very discouraging for you personally to hear Ambassador Brosio's comment about August,[1] as these Italian conversations will keep you away from your

[1]Reference is to the remark Brosio made to Thompson on May 26 and which Thompson reported in telegram 5387, *supra*.

family, whom I know you miss a very great deal, and may force you to revise your plans for your home leave.

One of the difficulties which I foresee is that the Italians, who in this connection have an ability amounting almost to genius, will try to probe in Washington and here for weak spots in the United States governmental position which you will be presenting to them in London. I want you to know that you can count upon my firm, steadfast support. I assume you have already taken precautions to ensure that there will be no weaknesses shown in Washington. Jim O'Sullivan has told me of the great importance which you attach to concealing from the Italians the amount of aid which they might expect in the event of a settlement. As he explained it, you now have available $20,000,000 in aid for Italy in the event a satisfactory solution is reached. You hope to be able to get the Italians to accommodate the Yugoslav figure on a financial and reparation settlement with a promise from you to them of less than the full sum; say $10 to $15 million. This will leave you with a kitty of $5 to $10 million which you will then have available to clinch Italian acceptance by being in a position to offer them something toward settlement of Italian claims. Only three of my officers have a detailed knowledge of the London negotiations and you can be confident that there will be no revelations made here.

I want you to feel free to come to Rome to talk with me at any time that you consider that a personal visit would be useful. On the other hand, as you may consider that a visit from you during the course of the negotiations would attract publicity and might give rise to unwarranted speculation in the press, I would be glad at any time to send Francis or Jim[2] to London or to receive Leonard Unger here.

I understand that you and your family may be coming through Rome on your way home some time during the summer. I look forward very much to seeing you and Mrs. Thompson at that time. I myself am planning to return to the United States for a few weeks possibly in July[3] although my plans are, of course, contingent upon development of the Italian soundings.

Sincerely yours,

CLARE LUCE

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[2]Francis Williamson or James O'Sullivan.

[3]Luce returned to the United States on July 1 and remained until late August. For documentation concerning her talks in Washington with various U.S. Government officials early in July, see vol. VI, Part 2, pp. 1686 ff.

No. 197

750G.00/6-254

Agreed Record of Positions Reached at the Conclusion of Discussions in London, February 2–May 31, 1954, Between Representatives of the United Kingdom, the United States, and Yugoslavia[1]

CONFIDENTIAL LONDON, May 31, 1954.

Beginning on February 2, 1954, a series of discussions took place in London between representatives of the United Kingdom, United States and Yugoslav Governments in order to ascertain whether a basis for the solution of the Trieste problem could be found which would be acceptable to both Yugoslavia and Italy. A common desire for the solution of the problem was manifest during these discussions. The Yugoslav representative made it clear that, should agreement not be reached as a result of the current negotiations, the Yugoslav Government would not consider itself bound by the provisions of this record.

1. Procedure

The United Kingdom and United States representatives undertook to propose to the Italian Government that it enter into a Memorandum of Understanding covering points 2 to 6 below and any points suggested by the Italian Government, or any other participants, upon which agreement is reached. Such a Memorandum would make reference to the present unsatisfactory situation resulting from the impossibility of putting into effect the provisions of the Italian Peace Treaty relating to the Free Territory of Trieste and to the agreement of the United Kingdom, United States, Yugoslavia and Italy, as the countries principally concerned, to bring this situation to an end. It would provide that, as soon as the Memorandum has been initialled and the territorial adjustments described therein have been carried out, the United Kingdom, United States and Yugoslav Governments will terminate the Military Governments in Zones A and B of the Territory and the

[1]In telegram 5430 from London, May 31, Thompson informed the Department of State that the three representatives would initial the agreement at 4 p.m. that day, having agreed to a few minor amendments which he described. (750G.00/5-3154) In telegram 5436 later that day, Thompson reported that the agreement had been initialed and that he and Harrison would inform the French Embassy in general terms the next day. He also said the talks with Brosio would start the afternoon of June 1. (750G.00/5-3154)

The original and one copy of the agreed record of positions were sent to the Department of State as attachments to despatch 3920 from London, June 2. According to this despatch, the Embassy in London also sent copies to Rome, Belgrade, and USPolAd Trieste. (750G.00/6-254)

United Kingdom and United States Governments will withdraw their military forces from the area north of the new boundary and relinquish administration of that area to the Italian Government. The Yugoslav and Italian Governments will forthwith extend their civil administrations over the areas for which they have responsibility.

The Memorandum of Understanding will be notified to the parties to the Italian Peace Treaty and to the Security Council of the United Nations.

2. Territorial Provisions

It was agreed that the United Kingdom and United States representatives will propose to the Italian Government the acceptance of the territorial delimitation described in Annex I.[2] The new boundary will be drawn on a map at a scale of 1:50,000 which will be annexed to the Memorandum of Understanding. As soon as the Memorandum of Understanding has been initialled, representatives of Allied Military Government and representatives of Yugoslav Military Government will carry out promptly, and in any event within three weeks, a provisional adjustment of the boundary in accordance with the map. The Memorandum of Understanding will include a provision for the subsequent establishment by the Yugoslav and Italian Governments of a commission to effect a definitive demarcation of the boundary in accordance with the map.

3. Minorities

It was agreed that there should be annexed to the Memorandum of Understanding a statute on a reciprocal basis for the protection of the Minorities in the areas concerned. The United Kingdom and United States representatives undertook to transmit to the Italian Government a set of guiding principles, prepared by the Yugoslav representative and attached hereto as Annex II,[3] which should, subject to consideration of any Italian suggestions, serve as the basis for the preparation of such a Statute.

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[2]Not printed. Annex I contained a very detailed description of the new demarcation line.

[3]Not printed. The list of guiding principles for the minority statute included the following: (1) Human rights and fundamental freedoms without discrimination, (2) Political and civic rights without discrimination, (3) Prohibition from fostering national and racial hatred, (4) Equal accessibility to all posts and functions in State and public services, (5) Recognition of the equality of languages in official use, (6) Right to an unhindered cultural development and preservation of the ethnical character, (7) Unhindered economic development, and (8) New political and territorial subdivisions not to be created without due account of the ethnical composition of the area concerned.

4. Free Port

It was agreed that the Memorandum of Understanding should contain an undertaking by the Italian Government to maintain the Free Port at Trieste in general accordance with the provisions of Articles 1 through 20 of Annex VIII of the Italian Peace Treaty.

The United Kingdom and United States representatives will propose that the Italian Government agree to invite representatives of Yugoslavia, Austria and possibly other users of the Port of Trieste to a meeting for the purpose of working out the necessary arrangements to apply these articles under present conditions in order to ensure the fullest possible use of the Free Port in accordance with the needs of international trade. It was agreed that the Italian Government could give its undertaking to call such a meeting in a confidential exchange of letters with the Yugoslav Government simultaneously with the initialing of the Memorandum of Understanding.

5. Autonomy

It was agreed that the United Kingdom and United States representatives should endeavor to obtain inclusion in the Memorandum of Understanding of a declaration by the Italian Government that the area coming under Italian administration should have an appropriate measure of local autonomy.

6. Non-Prosecution Clause

The United Kingdom and United States representatives will propose the inclusion in the Memorandum of Understanding of a statement along the following lines:

"The Governments of Yugoslavia and Italy agree that they will not undertake any legal or administrative action to prosecute or discriminate against any resident of the areas, coming under their civil administrations in accordance with the Memorandum of Understanding, for past political activities in connexion with the solution of the problem of the Free Territory of Trieste."

7. Consular Representation in Trieste

The United Kingdom and United States representatives will propose that the Italian Government undertake to accord consular status to the representatives of the countries now represented in Trieste by political or commercial representatives.

8. Slovene Credit and Cultural Institutions

The United Kingdom and United States representatives undertook to seek Italian acquiescence in the granting by Allied Military Government in Zone A of permission for the opening of a Slovene

credit institution in Trieste. Allied Military Government may take such action before the Memorandum of Understanding is initialled.

The United Kingdom and United States representatives also undertook to explore with the Italian Government the possibility of making arrangements to provide suitable buildings for the cultural activities of the Slovene minority in the area of Trieste as a partial replacement for those formerly used for this purpose.

9. Questions of Claims

The Yugoslav representative stated that his Government did not wish to raise the question of option, claims and counter-claims arising out of the execution of the provisions of the Memorandum of Understanding. Should, however, the Italian Government press for a provision on this point, the Yugoslav view is that the inhabitants of the Free Territory should be given one year in which to decide whether they wish to change residence and one additional year in which to dispose of property. The sums realised from such property liquidation would be deposited in special accounts with the national banks of the two countries and any balance between these two accounts would be liquidated by the two Governments within a specified period of time.

10. Settlement of Financial Problems

The United Kingdom and United States representatives undertook to make strong efforts to bring about, concurrently with the general agreement on Trieste, a lump-sum settlement, or at least a partial settlement, of the principal financial problems now outstanding between Italy and Yugoslavia.

The Yugoslav representative maintained that a settlement or partial settlement of these problems should be arrived at concurrently with the general settlement of the Trieste problem. The United Kingdom and United States representatives, while agreeing to make every effort to obtain a settlement, maintained their position that the resolution of the Trieste question should not be made absolutely contingent thereon. The Yugoslav representative also considered that such settlement should dispose of the claims arising from the Reparation provisions of the Italian Peace Treaty and the Italo-Yugoslav agreements signed in Belgrade on May 23, 1949 and in Rome on December 23, 1950. He did not consider that claims arising out of the Memorandum of Understanding should be included in such a settlement.

11. Statement of Non-Support of Territorial Claims

After the Memorandum of Understanding has been initialled, the United Kingdom and United States Governments will issue a Declaration that they will give no support to the claims of either

Yugoslavia or Italy respecting territory under the sovereignty or administration of the other. The United Kingdom and United States Governments will invite the French Government to make a similar declaration.

LLEWELLYN E. THOMPSON
GEOFFREY W. HARRISON
VLADIMIR L. VELEBIT

No. 198

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum by the Secretary of State to the President[1]

TOP SECRET WASHINGTON, June 3, 1954.

Subject: Successful completion of first phase of Trieste negotiations.

For your information, the "Agreed Record of Positions Reached" between the US, UK, and Yugoslavia was initialed in London on Monday, May 31 (copy attached[2]).

The Yugoslavs agreed to a territorial settlement which amounts practically to acceptance of October 8, i.e., Zone A which includes the city of Trieste to Italy and Zone B to Yugoslavia. The only difference is that they ask for a small strip of Zone A at the western end of the interzonal boundary and are willing to give up a smaller segment of Zone B at the eastern end. (See map attached.[3]) The changes proposed could accurately be described as a "minor rectification" of the boundary. This contrasts with the initial Yugoslav demand for the entire hinterland of Zone A, leaving only the city of Trieste and a coastal strip to the Italians; and with their later demand for a port area on the outskirts of the city with a connecting corridor.

The Yugoslavs have also given up their insistence that the territorial settlement be contingent upon a settlement of their financial, mostly World War II reparations, claims against Italy.

Other features of the contemplated settlement are a reciprocal statute for the protection of minorities, arrangements for maintenance of a free port in Trieste and for some measure of at least lip-service to the idea of local autonomy, and a reciprocal declaration

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[1]A draft of this memorandum by Hooker was an attachment to Hooker's memorandum of June 2 to Secretary Dulles through Merchant. Hooker wrote that in view of the President's interest in the Trieste problem, Dulles might wish to call his attention to the successful completion of the first phase of the negotiations. (750G.00/6-254)

[2]The copy was identical to the Agreed Record of Positions, *supra*.

[3]Not found attached to the source text.

of non-prosecution for political activities in connection with the settlement.

The US, UK, and possibly France would issue a statement of non-support for further territorial claims by either side and would in fact make it clear that they consider the settlement final, although it will not be so described in explicit terms.

The US is granting Yugoslavia $20 million additional aid in FY 1954 and the British $5,600,000, which is required on the basis of Yugoslavia's current balance of payment deficit. The Yugoslavs may use a major portion of the local currency counterpart funds generated by this aid for the construction of a port and transportation facilities in the Capodistria-San Nicolo area. It will also be proposed to the Italians that we grant them a similar amount of aid to assist them in reaching a financial settlement with the Yugoslavs.

The US and UK negotiators in London, after informing the French, opened the second phase of these negotiations with the Italians on June 1.[4]

JOHN FOSTER DULLES

[4]In a brief memorandum to Dulles, June 7, Eisenhower thanked the Secretary for the report on Trieste and said that if it became apparent that an agreement was to be reached, plans for the release of the information should be carefully made. He concluded, "If properly handled, it should strengthen our position immeasurably, particularly abroad." (750G.00/6-754)

C. Negotiations in London Between the United States, the United Kingdom, Italy, and Yugoslavia Aimed at Securing a Final Settlement, June–August 1954

No. 199

750G.00/6-154: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, June 1, 1954—7 p.m.

5453. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. Harrison and I today gave Brosio the following informal list of the principal points proposed by the Yugoslavs for the settlement together with the full text of the proposed Preamble to the Memorandum of Understanding, the Yugoslav List of Guiding Principles for Minority Statute, the text of the non-Prosecution

[1]Repeated for information to Belgrade, Rome, and Trieste.

Clause and the description of the proposed new interzonal boundary: (1) readjustment of the interzonal boundary of the Free Territory Trieste; (2) termination of military government and transfer of administration; (3) arrangements for maintenance of the Free Port of Trieste and for measure local autonomy; (4) reciprocal statute for protection minorities; (5) reciprocal declaration of non-prosecution for political activities in connection with solution Free Territory Trieste problem; (6) settlement outstanding financial claims and counterclaims; and (7) measures to improve atmosphere and facilitate collaboration. We orally informed him of our proposed declaration of non-support and mentioned the Slovene Credit Institute and houses for cultural activities.

Brosio fully reserved his position, but pointed out that proposed settlement was disadvantageous to Italy territorially, would clearly in fact be final, and that in his opinion, it was doubtful whether Italy could enter into negotiations on this basis. We made clear that we had not attempted represent Italy in negotiations, but to develop Yugoslav point of view. We stressed, however, that in our opinion, Yugoslavs had been pushed to their maximum position.

ALDRICH

No. 200

750G.00/6-254

Robert G. Hooker of the Bureau of European Affairs to the Chief United States Negotiator in London (Thompson)

TOP SECRET
PERSONAL–INFORMAL

WASHINGTON, June 2, 1954.

DEAR TOMMY: The United Nations boys were somewhat concerned at the abbreviated reference to the UN aspects of the proposed settlement as raised in the tripartite confidential memorandum.[1] They have therefore asked me to pass on to you one or two thoughts which they believe should be kept in mind.

To begin with, they think that none of us should have any illusions that when we report to the Security Council that the Trieste dispute has been settled the Council would simply let the matter rest there. They believe we and the others concerned should recognize that there will probably be a move from some quarter, at least by the Soviets, to discuss the agreement. In any case, they do not think we can take it for granted that there will not be any such move.

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[1] Document 197.

They also believe that it would be difficult for the Security Council to take note of the proposed territorial change without some effort being made to divest it of the responsibilities toward the Free Territory of Trieste which were assumed by the Council decision of January 10, 1947. They think that even if it is inadvisable to seek some appropriate positive form of UN endorsement, it would nevertheless be better for the US–UK to be prepared to ask the Council to set aside its responsibilities toward the FTT rather than leave to others the initiative of making this or possibly less welcome proposals.

The above considerations, in their view, are facts of UN life which we should not ignore, as perhaps we might be tempted to do in our desire not to embarrass the Italians.

Sincerely yours,

BOB

No. 201

750G.00/6-454

Memorandum of Conversation, by the Director of the Office of Western European Affairs (Jones)

TOP SECRET [WASHINGTON,] June 4, 1954.

Subject: Trieste Proposals.

Participants: The Secretary
Sig. Tarchiani, Italian Ambassador
Mr. Merchant, EUR
Mr. Jones, WE

The Secretary asked the Italian Ambassador to come in this afternoon to inform him of the present status of the Trieste negotiations. The Secretary said that we had reached agreement with the Yugoslavs on a Trieste settlement as a result of developments following October 8 and that we hoped and believed this arrangement would be satisfactory to the Italian Government. The proposal which was being put to the Italians in London could be considered, for all intents and purposes, an implementation of the October 8 decision. The Secretary recalled he had always referred to that decision as "bare bones" which would require some flesh and what Ambassador Thompson had worked out in London in the way of minority rights, economic and financial settlements, etc., could be considered as clothing of the original bare decision. The Secretary said we had used every possible means of persuasion with the Yugoslavs to bring them to this point and he felt the results were

something which the Italian Government could present to the Parliament and the people as an achievement and which would strengthen its position.

The Ambassador asked if the substance of our understanding with the Yugoslavs had been communicated to his Government adding that he was uninformed. The Secretary replied that Ambassador Thompson had made an initial communication to the Italian representative in London[1] and that he, the Secretary, was not prepared to go into the substance of the proposal today. The Ambassador referred to the problem which Sig. Scelba had with his scant majority in the Parliament and expressed the hope that the London proposal was one which would command a safe majority in the Parliament and not endanger the life of the Government. The Secretary in turn expressed the hope that the negotiations with the Italians would not require as much time as had the Yugoslav talks and reiterated his belief that the agreement reached in London was one which should be welcome and useful to the Italian Government.

Mr. Merchant emphasized the desirability of secrecy in the forthcoming negotiations between the Italians, the British and ourselves pointing out that our policy in this regard during the Yugoslav phase had to a large extent contributed to the success of those negotiations.

The Ambassador expressed the personal hope that a Trieste settlement would be forthcoming and the hope that many other problems such as Italian ratification of EDC would fall in line once this vexing problem was disposed of. The Secretary agreed and emphasized the importance of a Trieste settlement not only for Italy and Yugoslavia but for its beneficial effect on the general political climate of Europe. Finally, the Secretary and the Ambassador agreed upon a non-committal statement to the press following their interview.

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[1]This presentation was made on June 1; see Document 199.

No. 202

750G.00/6-554

Memorandum of Conversation, by Robert G. Hooker of the Bureau of European Affairs[1]

TOP SECRET [WASHINGTON,] June 5, 1954.

Subject: Trieste Proposals

Participants: Mr. Merchant, Assistant Secretary
Dr. Luciolli, Italian Minister
WE—Mr. Jones
EUR—Mr. Hooker

The Italian Minister called at his request at 11:15 this morning. Mr. Merchant opened the conversation by referring to the Secretary's meeting yesterday[2] with the Italian Ambassador and said that he agreed with and supported the considerations advanced by the Secretary on which we based our hopes for an early Italian agreement to the proposals for the settlement of the Trieste problem. Mr. Merchant then went on to say that if the Secretary had had before him Ambassador Luce's report (Rome's 3952[3]) of her conversation on Thursday with Prime Minister Scelba, he felt sure the Secretary would have expressed his surprise and disappointment at the Prime Minister's remarks about the proposals. He wanted Dr. Luciolli to realize that we consider the proposals constitute an opportunity for the Italians which may not last forever, that in our opinion they represent the Yugoslav's rock-bottom position, and are in no sense a bargaining position. He thought that on their merits the proposals should not only be entirely acceptable to the Italian Government but should be presentable to the Italian people as an achievement.

Dr. Luciolli replied that he had no information about Prime Minister Scelba's interview with Ambassador Luce or any details about

[1]Cleared in draft with Jones.

[2]A memorandum of this conversation is printed *supra*.

[3]In telegram 3952, June 4, Luce described her conversation the previous evening with Scelba, Piccioni, and Zoppi. Scelba stated that there was no hope at all for an early signature of the military facilities agreement. He complained bitterly of the deterioration in Italy's international position as a result of recent developments concerning the Balkan Pact and of the plan for a settlement of the Trieste issue, which, he said, would force his government to resign if the details were to be made known publicly. Both Scelba and Piccioni concluded that Italy had been brushed aside as a second-rate power. Luce recommended to the Department of State that the military facilities negotiations be broken off and that she continue in her efforts to convince Scelba's government that its policy of linking all internal and external matters to the Trieste issue was only working against the best interests of Italy. (711.56365/6-454)

the proposals themselves; he could only say that he would report to his Government that the Italian Government had been presented with a US–UK–Yugoslav proposal on a take-it or leave-it basis, and on a basis of take it or leave it soon.

Mr. Merchant replied that it was inaccurate to describe as a "US–UK–Yugoslav proposal" a position to which the Yugoslavs had been brought by laborious negotiations lasting over four months and that "take it or leave it" was a harsh interpretation of what he had intended to convey. Mr. Jones stated it was important how the Italian Government presented the proposals ultimately to the parliament and the people and that it should consider carefully what a Trieste settlement means before taking a public position.

Luciolli then launched into a long and emotional tirade. He began by saying that we had told him the proposals were both fair and that they represent the maximum Yugoslav concessions. On the alleged fairness of the proposals, he said that the U.S. concept of fairness was evidently very "unstable", and went into a long historical statement to the effect that ever since the Wilson line of 1919 the U.S. idea of what constituted fairness represented a series of continuous steps backwards, of which the October 8 proposal was the fourth or fifth; that the present proposal was clearly unfair and that it should be considered on the basis of whether there were other reasons why the Italian Government should accept it. He then developed a line of argument that the Yugoslav Government is a Communist dictatorship, and that Italy could not be expected to enter into arrangements with such a government which she would be perfectly willing to make with other governments, such as the French or the Swiss. He said that in essence this was not a case of an Italian-Yugoslav quarrel but rather one between the West and Yugoslavia, and that the U.S. insistence on impartiality is an insistence on impartiality between right and wrong; that in the negotiations just completed with the Yugoslavs the U.S. had done what it had refused to do with the Italians, and that this was inconsistent with the U.S.-Italian alliance. But in any case, the Italians never thought that the negotiations with the Yugoslavs would come out with something agreed on even in detail. The Italians were entitled to have had the benefit of the opposite procedure, i.e., tripartite US–UK negotiations with them before negotiations with the Yugoslavs. In effect, the result of the existing procedure has been that the US–UK have had to pay the Yugoslavs to get permission to give Zone A to Italy.

Mr. Merchant suggested that the Italians should consider the matter on another plane. He said that if we all keep our old emotions, without regard to the world situation, we will all face a most serious situation. He then alluded to the Italian refusal to sign the

facilities agreement, which was designed to help improve their military posture. He said that when the Secretary had used the words "agonizing reappraisal" some months ago they were not idle or empty words, and that they included Italy as well as France.[4] He concluded by saying that if the problem of Trieste is at the center of all of Italy's difficulties, he would urge the Italians to accept proposals which contemplate the Trieste problem in terms of the larger interests of all. For the Italian Government to go to the Italian people with a negative, emotional, and critical attitude on the Trieste proposals would be a very serious matter.

Dr. Luciolli said that he agreed, and hoped that the Italian Government would not make public a negative reaction, that it would need time to study the proposals, and should view them in a broad framework in relation to the future rather than in the past. He thought that the proposed solution was objectively unfair, and that the real question is whether Italy could accept it for reasons of general policy. He then referred with feeling to the theme that the proposals had been submitted on a take-it or leave-it basis, with the implication that if the Italians reject it something bad will happen. He then put the question, if the Italians accept the proposals, what will Italy's position be in the international field, what assurance will Italy have as to her position in the future. The question is whether these proposals are just a phase in the progressive elimination of Italy from consideration in the Western world. He said that the Italians do not trust the Yugoslavs now, and will not trust them after an agreement which in effect would represent a Yugoslav victory. The real question is, what guarantees has Italy for the future.

Mr. Merchant commented that Dr. Luciolli was in effect saying that the Italians cannot ever have good relations with Yugoslavia. He thought that the Italian attitude indicates the reason why the Italian position has deteriorated and why Italy has lost some of her leadership in Western Europe.

Dr. Luciolli replied that he did not mean to imply that Italy cannot have good relations with Yugoslavia. Italy can have businesslike relations with Yugoslavia, but cannot trust her. He concluded the interview by saying that the Italian Embassy would report faithfully the U.S. position, namely, that the Trieste proposal is one which the Italians must take or leave, and in either event, soon, although it would be reported that they are proposals which the United States considers fair. Mr. Merchant expressed the hope

[4]Reference is to Secretary Dulles' remarks in Paris on Dec. 14, 1953, where he was attending the North Atlantic Council Ministerial meeting. For documentation regarding this meeting, see vol. v, Part 1, pp. 454 ff.

that the Minister would report this within the context of all the considerations which the U.S. side had advanced this morning. Dr. Luciolli agreed and repeated again that "a lot depends" on how the proposal is presented with respect to Italy's position in future.

No. 203

765D.00/6-654: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET ROME, June 6, 1954—8 a.m.

3974. Following my talk with Scelba (Embassy telegram 3952 June 4[2]) I had a long conversation with De Gasperi on June 4. (Following report by pouch.[3]) De Gasperi stressed that unless Trieste settlement was satisfactory to Italian public and parliamentary opinion, government would fall, but would choose another issue for its defeat such as EDC. Said problem of orientation Italian foreign policy much more important than any aid Italy might receive under military facilities agreement. Italians he said, now ask whether Italy is more or less important to West than Balkans. If Trieste question is not solved in satisfactory manner, and if government falls, new elections may be required in autumn. Otherwise result will be a neutralist Italy which does not take sides in world struggle against Communist but will seek attainment its national aspirations by other means. Finally, he said, we cannot expect Scelba to carry out vigorous anti-Communist program in prevailing world state of "relaxation of international tension" and talk of "ten years of peace."

These conversations provide an indication of an unfavorable trend in Italian foreign policy which is in part result of parliamentary situation created by 1953 elections. Since elections, Italian Governments instead of forcefully advocating broad long range policies have endeavored characteristically to play up foreign issues to gain internal support while opposition increasingly uses unfavorable diplomatic developments to brand current government as incompetent because it has obtained nothing by adhering to pro-Western policy. In this process Trieste and the Balkan Pact have been played up as paramount issues and extreme public positions

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[1]Repeated for information to London for Thompson.

[2]See footnote 3, *supra*.

[3]A memorandum of Luce's conversation with De Gasperi on June 4 was sent to the Department of State as an enclosure to despatch 2365 from Rome, June 7. (711.56365/6-754)

have been taken which have deeply affected both public opinion and government policy. For these reasons Scelba felt it necessary to outline to me a viewpoint which is inconsistent with previous Italian policy and not designed, in my opinion, to serve long range interests of Italian nation. Any Italian center government at this time is likely to follow such a policy so long as it remains oversensitive to opposition attack. Scelba's statement may be indication either: (1) that he is establishing a bargaining position with US concerning the London agreement and will use it in an attempt to modify terms in favo[illegible] Italians or, (2) he is preparing a position for rejection of Trieste settlement as unacceptable. If so, he will make full use of press and public statements to pose as the great protector of Italian interest and as one who refused to accept an imposed solution.

If Scelba is following course (1) we can deal with it by negotiations and appropriate measures provided he does not directly or indirectly make use of the press to defend an extreme position. If he is following course (2) I doubt very much if he realizes that only the Communists and the extreme right will benefit ultimately from such action. Public rejection of Trieste settlement would benefit Scelba momentarily but would provide extremes with excellent opportunity to brand both him and his government as incompetent as association with the West as detrimental to Italian interests. In event Scelba's position is the latter one, certain steps should be taken now to secure a change in his policies.

(1) Suspension for the time being of facilities negotiations which I have recommended in Embassy telegram 3952 and in accordance with Embassy telegram 3958,[4] the Italians are convinced of the military and material value of this agreement but are reluctant to make the political decision to sign it. I am hopeful that suspension of the negotiations will force them to reconsider their current attitude.

(2) To continue as suggested in Embassy telegram 3907, June 1,[5] to impress on all Italians the reasonable nature of the London agreement and to urge its acceptance as beneficial to the over-all interests of Italy and the common defense.

(3) To speak frankly and firmly to the Italians on their attitude concerning Balkan Pact which has now become the fuse on the Trieste bomb. We should point out to them the military value of such an alliance and urge a realistic consideration of the problems which it poses. We should urge them to take a broader view of this development, taking into account the nature of the Soviet threat

[4]In telegram 3958, June 4, Luce recommended, in spite of the Italian Government's negative attitude toward the facilities negotiations, that plans proceed for deployment of the 629th A.C. & W. Unit to Leghorn. (711.56365/6-454)

[5]Not printed. (750G.00/6-154)

and the minuteness of the Trieste question in terms of general problems.

For next ten days I have asked Tasca to suspend conversations re $20 million defense support aid for FY 1955 on which almost complete agreement has been reached. If after 10 days no change in attitude had been attained we believe that Department and FOA should give serious consideration (a) whether such aid should be made available or (b) whether because of closeness end FY we might not work out an intermediate solution by obligating the funds but withholding availability to Italian Government pending further developments.

I believe that the foregoing program would be helpful in securing a modification of the position which has been outlined to me by Scelba and De Gasperi. I would appreciate the Department's instructions soonest.

LUCE

No. 204

750G.00/6-654: Telegram

The Secretary of State to the Embassy in Italy[1]

TOP SECRET WASHINGTON, June 8, 1954—4:36 p.m.

4146. Limit distribution. Re urtel 3974.[2] Department appreciates your careful and thoughtful analysis and recommended courses of action.

It will probably not be possible determine whether Scelba establishing bargaining position or preparing for rejection Trieste proposals until discussions with Italians develop further in London. While initial Italian reaction admittedly disappointing, certain amount fireworks to be expected. May actually be useful give Italians time work off steam.

With reference your numbered paragraphs, Department fully agrees with points made paras 2 and 3. In latter connection Department believes we must make it plain to Italians that they cannot put us in position of being forced to choose between them and Balkan Pact, or between NATO and EDC and Balkan Pact any more than in Trieste negotiations we will allow ourselves to be put in position of choosing between Italians and Yugoslavs. There are larger interests involving fate of us all to which we must insist

[1] Drafted by Hooker and cleared with Jones, Thurston, Palmer (RA) in draft, and Barbour. Repeated for information to London, Belgrade, and USPolAd Trieste.

[2] *Supra.*

that other interests be subordinated by the processes of negotiation and compromise. There can be no choice between Italy and Balkans (urtel 3974 first para.) because both like us are subject to common danger much greater than danger either might present to other if we lived in different kind of world, not under shadow of Soviet totalitarianism. None of us can delude ourselves by talk of "relaxation international tension" and "ten years of peace" into thinking that we can allow ourselves luxury of nursing old grievances. Our safety and only possible hope of enduring relaxation international tensions and maintenance of peace depend on our ability maintain free world unity and bury old grievances.

Re your first numbered paragraph we are of course conscious fact that facilities are as much in our interest as in interest Italians. Suspension negotiations however merely recognizes situation created by Italians and is not at our initiative.

Re temporary suspension negotiations on $20 million defense support aid for FY 54 we are concerned at implications and possible adverse consequences of linking such support with Trieste negotiations. Although proposed period of suspension is short it carries us close to end FY 54. If Italian reaction Trieste proposals negative and we nevertheless do not terminate this aid we would be in position of having had our bluff called. On other hand a decision to cut off aid to Italy is one which involves many considerations and we doubt desirability of taking action now which might prejudice our freedom of judgment in future.

DULLES

No. 205

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 201st Meeting of the National Security Council, Washington, June 9, 1954[1]

TOP SECRET EYES ONLY

There were present at the 201st Meeting of the Council the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; and the Director, Office of Defense Mobilization. Also present were Mr. Tuttle for the Secretary of the Treasury; the Attorney General (for Items 1 and 2); the Secretary of the Interior and the Secretary of Commerce (for

[1]Prepared by Gleason on June 10.

Item 1); the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (for Items 2, 3, 6 and 7); the Acting Federal Civil Defense Administrator (for Items 2 and 3); Assistant Attorney General Barnes (for Item 1); the Secretary of the Army; Under Secretary of Commerce Murray (for Item 1); Assistant Secretary of the Interior Wormser (for Item 1); the Under Secretary of the Navy; Robert Amory, Jr., Central Intelligence Agency; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Assistant to the President; Robert Cutler, Special Assistant to the President; the Deputy Assistant to the President; the White House Staff Secretary; the NSC Representative on Internal Security; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

Following is a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of a national petroleum program, organizational arrangements for continental defense, a proposal for an international moratorium on future tests of nuclear weapons, significant world developments affecting United States security, and United States policy toward Spain.]

6. United States Policy Toward Yugoslavia (Progress Report, dated May 25, 1954, by the Operations Coordinating Board on NSC 5406/1[2])

Mr. Cutler commented on the Progress Report with particular attention to the final paragraph, which was concerned with the development of the Balkan *entente* (Greece, Turkey and Yugoslavia) into a full military alliance and the relation of this alliance to Italy and the Trieste problem.

Secretary Dulles thought that the Council might be interested in recent developments regarding the Trieste negotiations. He recalled the decision of October 8, 1953, by which the U.S. and the U.K. proposed a partition.[3] He pointed out that this decision had initially been hailed with enthusiasm in Italy, with the result that the Yugoslavs felt that they must oppose it. There had ensued long negotiations with the Yugoslavs in London. These negotiations had just been concluded, and the result substantially confirmed the October 8 decision, with certain minor territorial adjustments in each zone. Although, said Secretary Dulles, the Yugoslavs had carried

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[2]For text of NSC 5406/1, "United States Policy Toward Yugoslavia," see Document 690. The OCB Progress Report on NSC 5406/1 is not printed. (OCB files, lot 62 D 430, "Yugoslavia")

[3]For text of the announcement on Oct. 8, 1953, by the United Kingdom and the United States of their intention to transfer administration of Zone A to Italy, see Document 130.

on these negotiations with the greatest deliberation, they had made a real effort to reach a viable solution. The Italians, however, have not made up their minds whether to regard the new solution as a triumph or a disaster. The whole problem was tied up with Italian domestic politics. If the Italians will not agree to go along, said Secretary Dulles, it will be most disheartening, because it is a very fair solution.

The President inquired whether we could not convince Scelba that he must agree to take this solution. The difficulty, replied Secretary Dulles, was that Premier Scelba only managed to keep his bare majority in Parliament by playing up Italian nationalism. . . . The President then asked whether a very strong message from himself or from the Secretary of State would help with Scelba. Mr. Allen Dulles added the suggestion of enlisting the support of De Gasperi and Don Sturzo in bringing pressure on Scelba. Secretary Dulles commented that Scelba had proved a most grievous disappointment when the Secretary had talked with him after the Berlin Conference.[4]

The National Security Council:

(a) Noted the reference Progress Report on the subject by the Operations Coordinating Board.
(b) Discussed the situation with respect to Trieste in the light of an oral report by the Secretary of State.

[Here follow a discussion of the situation in Southeast Asia and a brief noting of the report on the status of National Security Council projects as of June 1, 1954.]

S. EVERETT GLEASON

[4]Presumably a reference to Dulles' conversation with Scelba in Milan on May 3 following the Secretary's attendance at the Geneva Conference; see Document 189.

No. 206

750G.00/6-1254: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, June 12, 1954—3 p.m.

5687. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson.

[1]Repeated for information to Belgrade, Rome, and Trieste.

1. At meeting today Brosio made oral statement and later gave us copy which I am transmitting by mail.[2] It gives brief historical background, states assumes Yugoslav plan not being presented as an ultimatum and that Italian Government prepared consider it provided certain essential Italian requirements are observed. It states boundary adjustment must be made reciprocal in effect as well as all the other points covered. States solution must be *de facto* and provisional and that Italian Government could not consider possibility of allied statements involving final character of agreement. "If any statements are to be made they should also underline that any further change in the *status quo* should be brought about by a friendly agreement of the 2 countries concerned excluding the use of force." On the basis considerations set forth Brosio instructed to undertake secret soundings of exploratory nature.

2. Following are principal points covered by Brosio orally:

He emphasized internal political weakness Italian Government and stated Scelba and Piccioni had been indignant and at first opposed to negotiations. He admitted Italian Foreign Office took opposite view and indicated he had worked out compromise.

3. On territory he argued that even October 8 solution on an agreed basis was disadvantageous to Italy but not only was territorial proposal worse than October 8 but was also accompanied by a demand for one-sided concessions. Italy could agree to territorial adjustment only if concessions were balanced and he proposed line which followed present interzonal boundary to a point southwest of Santa Brigida. From that point it ran up to our proposed new boundary which it followed with slight variations to the Zone A–Zone B boundary from which it follows the high ground in a line curving to the southeast hitting the Yugoslav boundary about one and a half kilometers south of Ospo. He indicated that the border could be readjusted to leave Ospo to Yugoslavia. Brosio implied that he and Italian Foreign Office had considered territorial adjustment as relatively insignificant but that Scelba and politicians felt particularly strongly about this point.

4. On the question of procedure, he stated the French should be kept continuously informed and participate in any final agreement.

He proposed the following amendment to our proposed preamble: Before the word "prove" in the first sentence insert the words "so far". In the same sentence in place of the words "have been obliged", insert the words "have maintained". In the fourth sentence in place of "territorial adjustments" insert "adjustments

[2]A copy of Brosio's oral statement was transmitted to the Department of State as an attachment to despatch 4031 from London, June 14. (750G.00/6–1454)

along the present demarcation line". In the last sentence in place of "extend their civil administration" substitute "will take over the civil administration". He also proposed to add the following sentence at the end of the preamble "the Italian Government will be empowered to occupy Zone A with its troops in place of the allied forces".

5. On the free port, he said Italy was prepared to issue a decree establishing a free port along the lines set forth in the peace treaty but without international administration. He also agreed that an undertaking to do this could be included in the agreement. In return, however, Italy wanted some undertaking that the Yugoslavs would not attempt to build up a rival port at Capo d'Istria. They were prepared to agree to an undertaking on administrative autonomy if the Yugoslavs would give a reciprocal undertaking.

6. Italy disliked the term minority since the Italians had in fact been in the majority in Zone B but were prepared to agree to a reciprocal statute on human rights based on the Strasbourg agreement of November 4, 1950. The right of refugees to return to Zone B should be provided for and there should be provision for freedom of circulation. Italy also attached great importance to acceptance jurisdiction of The Hague court not only over such human rights agreement but over the whole Trieste settlement.

7. There was no objection to the non-prosecution declaration.

8. Italy was prepared to pay a small sum in settlement of all claims and counter-claims on condition that this settlement should include claims for refugee property in Zone B if such settlement were accompanied by an industrial agreement similar to that which Italy had concluded with Greece in settlement of her reparations and with an agreement on fisheries which would involve only a symbolic payment for fishing rights. Under the heading of steps to improve the atmosphere, Italy wished a slight readjustment of the frontier around Gorizia.

9. With reference to the credit institution and cultural buildings, Italy was reluctantly prepared to agree provided similar concessions were made to Italy in Zone B.

10. Harrison and I stated we wished time to consider the points raised before commenting and the only point discussed was that of informing the French. I said we not only had no objection but desired to keep the French informed, but there was the practical question of how to maintain secrecy. He recognized the problem and while no definite conclusion reached seemed to be general agreement that French would be kept informed in only general terms and that would be advisable for any information to be transmitted in Paris rather than London. Brosio suggested that if we were to reach a quick agreement, it would be necessary for some of

the points such as economic matters and minorities to be covered by subsequent agreements. Brosio expressed appreciation of the efforts we had made in our negotiations with the Yugoslavs and adopted an attitude of sweet reasonableness but left no doubt that we are in for an extremely tough negotiation.

ALDRICH

No. 207

750G.00/6–1454: Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET WASHINGTON, June 14, 1954—11:56 a.m.

6791. Limit distribution. Following are Department's tentative thoughts re general line US might take with Italians in further discussions. Our thinking stems in part from Luciolli's question "What will be future position Italy if accepts proposed Trieste settlement?" (Deptel 6600[2]) which was repeated in a later meeting with Department officials (Deptel 6639[3]).

I. Italians have been doubtful their standing with us, and therefore their position in Western alliance, and offended by our increasing support for and growing friendship with Yugoslavia, particularly since we invited Yugos here for military talks. Has been ample evidence Italian Government increasingly persuaded itself it occupies inferior position US–UK policies, that is unfairly and unsympathetically treated and as result has lost confidence in previously firm pro-NATO and pro-European unity policies. If left alone to brood over these matters, Italian Government will only continue to flounder. Specific facet this problem has been our failure inform them results military talks with Yugoslavs after we had promised to do so which we believe has rankled and never been forgotten. Now, way in which first phase Trieste negotiations has finally evolved seems to have added to their suspicions about our relations with their old enemy Yugoslavia. Therefore we believe Luciolli's repeated question is a fundamental consideration for the Italians at

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[1]Drafted by Hooker and Freund and cleared with Jones, Thurston, Palmer (RA) in draft, and Barbour. Repeated for information to Rome, Paris, Belgrade, and USPolAd Trieste. The basic approach described in the telegram was suggested by Freund in a memorandum of June 9 to Jones. (750G.00/6–954)

[2]Telegram 6600 reported on the conversation between Merchant and Luciolli on June 5; see Document 202. (750G.00/6–554)

[3]Telegram 6639 indicated that the Department of State had been informed by the Italian Embassy that instructions had gone from Rome to the Italian Ambassador in Belgrade to ask his U.S.-U.K.-French colleagues to avoid "leaks" to the press on the Trieste negotiations. (750G.00/6–854)

this time and reflects doubts about the basis of their post-war foreign policy of which major premise has been our friendship and support. Department believes Italian doubts reflected in Luciolli's question should be answered during period of upcoming negotiations and that in answering it we should inject as warm friendly and reassuring tone as we use with any our other major allies. While affirmative US action on pending aid matters may be helpful and punitive withholding of aid would probably not produce desired results, more persuasive line with Italians, we believe, is broad gauge and long range in approach and one which stresses broad vista opening before Italy if it accepts Trieste solution.

II. Our line of thought has both negative and positive aspects.

A. On negative side we should make plain in our view surest way of Italy becoming second-rate power, as Italians profess to fear, is by short-sightedly and emotionally rejecting solution that very closely approximates one about which they expressed satisfaction immediately after October 8. They should appreciate that Balkan Alliance is in interests not only participants but Italy–US–UK, etc., that we refuse choose between Balkans and Italy and that alliance cannot be stopped or long delayed by Italian protests or refusal accept Trieste solution. Situation calls for realism, i.e., recognition this Trieste proposal (much less any better one) not likely be offered again. Moreover, there is no use pretending that failure present effort find solution Trieste problem, after the Yugoslavs have been brought to make concessions which however Italians characterize them are truly major from the Yugoslav point of view, would merely mean return to *status quo*. In fact, Italo-Yugoslav relations would surely be seriously worsened and strength free world this area would surely have deteriorated. For better or worse, and regardless tactics they may employ, Italians could not escape, in eyes free world, large and perhaps major share blame.

B. On positive side we must go further than general statements as to desirability improving Italo-Yugoslav relations and security southern Europe through burying of old grievances in face Soviet communist threat to all. US attitude should be fully and frankly to discuss Italian problems and future.

1. US should reiterate importance it attaches to position Italy in NATO, EDC, CSC, etc., and conviction that those organizations constitute core US policy in Europe and for Italy as best hope future peace and security of both.

2. In contrast with deterioration Italy's position we foresee if Trieste settlement not reached, we should emphasize vastly improved Italian position in free world and great opportunities we foresee for Italy if settlement is accepted (granting that Italy's acceptance must be provisional in the sense that Italy is not prevented from future peaceful negotiations to improve its position). Proof that

Italy and Yugo could end their bitter feud would be such striking and constructive recognition of realities of world situation that it could have healthiest effect throughout entire Western world. Confronted as it is today with difficulties in Europe, Asia and elsewhere and showing signs of internal divisions, the Free World would receive a tremendous fillip and Soviet ambitions definite set back from such clear evidence that Free World is able deal with own problems. In fact Italy has opportunity cooperate in making momentous contribution that may well be turning point in joint effort build strong front against Kremlin and therefore of greatly enhancing Italy's prestige both in US and elsewhere. Implications of failure find mutual accommodation among Western powers, which should by geography, strategy, and tradition be close partners, would seriously encourage Soviet expansionism and reduce will resist it.

3. So as further raise Italy's sights and put actual circumstances Trieste problem in proper perspective, we should indicate what we see as specific likely benefits once Trieste hurdle gotten over. EDC ratification would become more readily obtainable and with greater majority. Italy would be in position, should it desire, enter Balkan Alliance under circumstances enhancing Italy's prestige. Resulting strengthened Scelba Government having satisfactorily disposed most pressing international problems would then be in position move forward toward solution its internal problems with renewed determination and promise success. Ability obtain passage legislation for social and economic reforms would be enhanced as would be capacity Government carry out own anti-communist program. Without our openly saying so Scelba should be able see that greater popular support would then seem reasonable to expect.

4. Two specific steps Italians might find reassuring are:

(a) We could renew our promise inform Italians results our military talks with Yugoslavs last summer along lines brief informal résumé we gave Greeks and Turks as soon as Trieste settlement has removed possibility military action between Italy and Yugoslavia. In this connection we should remind Italians that reason for long standing security this subject has been Italo-Yugoslav discord which had even involved threatened troop movements. We should hold out to Italians a post-Trieste settlement future in which such secrecy no longer necessary but quite contrary would require closest cooperation such subjects.

(b) We would show readiness discuss with Italians possibly in Paris between two NAC representatives our views concerning NATO interests in Balkan military alliance (Deptel 6400 to London[4]).

III. Department also considering at appropriate time usefulness of President or Secretary sending letter to Prime Minister or to Pigzioni couched in friendliest terms referring to many ties which exist between Italy and US, our community of interests, common

[4]Same as telegram 3364 to Athens; see footnote 3, Document 342.

cultural heritage, etc., and appealing to his statesmanship and profound understanding world situation to reach a Trieste settlement in Italy's own long-range interest as well as interests European and world security.

IV. Your and Rome's comments will be appreciated. Uses of foregoing depend in part on developments but London and Rome may wish employ general tenor in immediate situations that may arise with all influential Italians. What are Rome's views re use line in II above with deGasperi when terms proposal become known to him?

DULLES

No. 208

750G.00/6-1654: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, June 16, 1954—1 p.m.

5764. Limit distribution. From Thompson. Re Deptel 6791.[2] Agree general line Department's thinking and Harrison and I have already been at pains to convince Brosio that we have concern for Italy's interests and believe he is appreciative of and will report our attitude. I am concerned however timing approach envisaged and risk that it might encourage Italians to think they can bargain Trieste settlement against concessions from US not directly related to Trieste. Believe letter from President or Secretary could be most helpful at appropriate time and that the approach outlined in section 3 is exactly what is called for.

Unless Rome considers continuance present situation too dangerous, would suggest no particular initiative on broad approach at this time since appears evident that Italians are already well aware of pressure of both negative and positive aspects present situation. Any further emphasis on negative aspects would appear from here to be dangerous and risk placing intolerable internal strain on Italian Government. As indicated above, emphasis on positive aspect risks provoking bargaining attitude. Would see no objection to action proposed paragraph 4(b), but fear that proposed in 4(a) might have unfortunate effect in emphasizing that we are making Trieste settlement a condition for carrying out a promise already made. If this point must be raised, suggest more general

[1] Repeated for information to Belgrade, Paris (for Ambassador), Rome, and Trieste.
[2] *Supra.*

statement that we are anxious to go on with military planning which is impeded by present status Italo-Yugoslav relations.[3]

Ambassador Aldrich concurs with foregoing.

ALDRICH

[3]In telegram 4147 from Rome, June 16, Luce stated she was in general agreement with the thoughts expressed in telegram 6791 to London and endorsed Thompson's views as expressed in telegram 5764. (750G.00/6-1654)

No. 209

750G.00/6-1754

The Chief United States Negotiator in London (Thompson) to the Ambassador in Italy (Luce)

TOP SECRET LONDON, June 17, 1954.

DEAR MADAM AMBASSADOR: Many thanks for your letter of May 28,[1] which, together with your telegram,[2] has given me both encouragement and great personal pleasure. It is wonderful to have such solid support, which is certainly the key to the success we have had so far.

As I see it now, our chances of ultimate success are considerably better than even, although there are of course many pitfalls. I assume the Italian emphasis upon the difference of opinion between Scelba and Piccioni on the one hand and the Foreign Office on the other is genuine and not merely a negotiating trick. Such contact as I had with Scelba in Rome indicated that he was splendid on internal matters, but had little real appreciation of the facts of international life. I am particularly worried that the Italians and Yugoslavs may dig in their heels at the last moment on some minor point or that some incident might occur in Trieste which would ruin the atmosphere.

There is nothing I should like better than a trip to Rome and I am most grateful for your suggestion. The issues appear to be clear at the moment, however, and the only justification I can now foresee is that it might help satisfy the Italian wish to build up their role in the negotiations if Harrison and I came to Rome to conclude whatever separate agreement we may arrive at with the Italians concerning the takeover. Brosio seems particularly concerned to avoid the impression that Italy is merely accepting an arrangement worked out between us and the Yugoslavs.

[1]Document 196.

[2]Not found in Department of State files.

I do not, however, think at the moment that this would be wise as it would probably annoy the Yugoslavs and might be taken to reflect upon Brosio. My hope is that the Italians will realize that it is to their interest to reach a speedy conclusion, if possible, so that it would coincide with the conclusion of the Balkan Alliance.

With best regards to the boys and yourself, I am

Sincerely,

LLEWELLYN E. THOMPSON

No. 210

750G.00/6-1754

The Chief United States Negotiator in London (Thompson) to the Counselor of Embassy in Italy (Durbrow)

TOP SECRET LONDON, June 17, 1954.

DEAR DURBY: Many thanks for your suggestion that we might try bringing some pressure on the Italians through the Vatican.[1] For the moment my judgment is that this would be unwise, but I will follow up your suggestion with the British in regard to the Bishop in Trieste. I am very much afraid that there would be many people in Vatican circles who would not consider a *rapprochement* between Italy and Yugoslavia to be in the best interests of the Church unless there were some concrete resolution of the Church's problems, which now appears to be out of the question. Our prospects look good and I am inclined to believe we should not take the chance of stirring up what may be a risky side current unless we get into a desperate situation.

We saw the McBaines and had some news of you from Jane. I hope to return to Vienna for the Fourth, but will only be there for a few days.

I was most grateful for your message and that of the Ambassador. Our best to Edith and to the boys.

Sincerely,

LLEWELLYN E. THOMPSON

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[1]In a letter of June 10 to Thompson, Durbrow suggested that Thompson might want to consider attempting to enlist the support of the Vatican in an effort to influence the Italian Government regarding Trieste. Durbrow said that he assumed it would be a comparatively easy matter for the British, if they agreed, to make the approach through their mission to the Holy See. He also suggested that Thompson ask the British to see if the Vatican could use its influence to insure that the Bishop of Trieste and Capodistria, Bishop Santin, "behaves himself in connection with any settlement which might be mutually agreed upon." (750G.00/6–1054)

No. 211

750G.00/6–1854: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET ROME, June 18, 1954—1 p. m.

4164. Limit distribution. Reference Deptel 4240.[2] Despite delicate parliamentary situation which he continues to face, soundings of past twenty-four hours indicate that Scelba, although original reaction was unfavorable, is reconsidering his position and may have decided to accept Trieste solution provided accommodation made on following four points (Embtel 4147[3]): (a) Settlement must be of provisional nature (Borba statement and Bebler conversation Belgrade's 1319[4] seem to cover this); (b) Territorial rectifications must be almost equal; (c) Both concessions and rights must be reciprocal; (d) That final agreement show, at least for the record, that Italians were able to obtain some favorable concessions from original proposals in order to "prove" that settlement was not a US/UK or Yugo *diktat*.

We believe that letter from US President, timed in connection with progress London soundings, would be helpful. We recommend that letter be addressed to Einaudi as President Italian Republic in order to remove from Scelba's shoulders some of responsibility for accepting solution which will not of course fully meet Italian public aspirations. Letter in similar vein might also be sent to Tito as chief of Yugo state.

We have considered several steps which might be taken to overcome Italian feeling of isolation and to counteract statements that they are being treated as second-rate power. Consideration should be given to usefulness extending invitation to Scelba or Piccioni to visit US, but Department may wish to take into account effect on Tito unless similar invitation is extended to him. If invitation to Scelba or Piccioni is not feasible, Department may wish to consider

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[1]Repeated for information to London (for Butterworth), Belgrade, and Trieste.

[2]Printed as telegram 6791 to London, Document 207.

[3]In telegram 4147, June 16, Luce reported that Scelba's problem was largely one of judging what solution Parliamentary and public opinion would support and that he might surmount this difficulty if he could demonstrate that Italy had obtained something from the negotiations and had freely accepted a provisional settlement rather than one imposed by Yugoslavia and/or the United Kingdom and the United States. (750G.00/6–1654)

[4]In telegram 1319, June 16, Riddleberger reported the substance of a conversation between Ambassador Mallet and Bebler the previous day, during which Mallet urged the Yugoslav Government to reopen the interzonal boundary which had been closed after the Oct. 8, 1953, announcement by the United States and the United Kingdom. Bebler demurred, primarily on the ground that such action would emphasize the provisional character of the proposed settlement. (750G.00/6–1654)

advisability of having Admiral Radford visit Italy to discuss military questions of mutual concern. While any such trip presumably could not be confined to Italy because of reactions of other NATO countries, it might be arranged in such manner as to indicate particular US support of and belief in Italy, possibly by having Radford visit there first.

We do not believe it advisable to renew promise to inform Italians results military talks with Yugoslavs last summer (paragraph 4a, Deptel 4240). We fully endorse any discussion in Paris with Italian NAC representative concerning NATO interest in Balkan military alliance. Such discussion would help in dispelling idea in Italian Government circles that our policy has favored Balkans at expense of Italy.

In this regard we should, in order bolster Italian self-respect, do everything possible to associate Italians with our international efforts and keep them informed of developments which affect their interests, as suggested paragraph 1 Deptel 4240.

I plan to see De Gasperi in near future to follow up discussion reported Embassy despatch 2365, June 7[5] and will, of course, be guided by general line proposed paragraph II of reference telegram.

LUCE

[5]See footnote 3, Document 203.

No. 212

750G.00/6-2154: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, June 21, 1954—8 p.m.

1338. Limit distribution. While we here have always assumed that Italians would not buy May 31 agreement *in toto* and that at some stage Yugoslavs would be requested agree to some modifications thereof, recent telegrams from London and Rome indicate the possibility that these changes may be rather extensive and therefore we wonder whether time has not come to examine what the points are on which Yugoslavs are most likely to be tractable and those which will invite either outright rejection or impossible counter-demands. Having hammered out with great difficulty and after great pressure a tentative territorial settlement which is in effect our own proposal and approximates October 8 decision, I

[1]Repeated for information to London, Paris, Rome, and Trieste.

would think it highly dangerous to monkey with this contemplated London telegram 5832.[2] Equally dangerous would be reopening of "provisional versus definitive" question. Department will recall what difficulty we experienced with this at end of Yugoslav phase of negotiations. Rome's 4164,[3] paragraph a seems to imply reopening of this aspect and that Yugoslav attitude has changed since May 31. We have no evidence to support any such belief.

If we are to add to above request that the autonomy provisions be made reciprocal and that the return of Slovene houses be subject to Italian goodwill, we must immediately consider what *quid pro quos* we will have in hand. The Yugoslavs will be quick to point out that all modifications requested are in Italy's favor and not in Yugoslavia's. In this connection there come to mind the six points raised by Bebler with Mallet and me on June 1 (Embassy telegram 1276 paragraph 4[4]). Even if we are able to meet them all they will add up to very small change. There is also the question of additional aid to Yugoslavia (Embassy telegram 1297 to Department, repeated London 395, pouched to Rome[5]) which if granted would weigh in balance. Our actions and attitudes with respect to formulation of Balkan alliance in NATO Council and/or with Greek and Turkish Governments could indirectly but not inconsiderably affect Yugoslav attitude. Finally we note that Rome in its 4164 has suggested visits to Italy or invitations to visit US of certain prominent persons. While we doubt that time is ripe to invite Tito to US and do not believe that such an invitation need be equated to invitation to Scelba or Piccioni, a highly publicized visit by Admiral Radford to Italy which did not include Yugoslavia could have most unfavor-

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[2]In telegram 5832, June 18, Thompson reported that he believed that if the Italians were reasonable in limiting their demands for modification of other elements of the settlement, he and Harrison could obtain at least some modification of the territorial proposal. Thompson suggested that they avoid reaching any firm position with Italy on the territorial question and to go back to Yugoslavia and press for acceptance of the Italian proposal for modification of the western end of the boundary line. (750G.00/6–1854)

[3]*Supra.*

[4]The six points which Bebler raised with respect to the May 31 agreement had to do with (1) the Yugoslav Government's desire that a quarry located in Zone A near the boundary be shifted administratively to the Yugoslav area, (2) its wish to be informed when the talks with the Italian Government had reached a point where Italy and Yugoslavia could negotiate directly on the minorities question, (3) its desire to be informed by the United Kingdom and the United States regarding the Slovene credit institution, (4) its hope that some cultural buildings for Slovenes in Zone A could be made available before the settlement, (5) its wish that the United Kingdom and the United States encourage Italy to resume discussions with Yugoslavia regarding financial problems arising out of the 1947 Italian Peace Treaty, and (6) its interest in purchasing a house, currently occupied by the Yugoslav economic delegate in Trieste, which would eventually be used as the Yugoslav Consulate there. (Telegram 1276; 750G.00/6–154)

[5]Not printed.

able effect here. In this connection it should be recalled that since 1948 Secretary of the Army Pace is only US Cabinet officer to have visited Yugoslavia[6] and that no State Department officer above deputy director of an office has as far as we can remember visited this country. While this has been normal in the past we now think time has come when prominent US officials should include Yugoslavia in their European itinerary.

RIDDLEBERGER

[6]Regarding Army Secretary Pace's visit to Yugoslavia Aug. 12-15, 1952, see Document 649.

No. 213

765.00/6-2654: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET ROME, June 26, 1954—9 p.m.

4308. Limit distribution. My telegrams 4306 and 4307, June 26.[2] Suspension of facilities negotiations and general indications of our dissatisfaction with lack of progress on EDC, facilities, SOF and other questions coupled with Scelba's success in Senate confidence vote June 23 have served to clear air here and to give Italians reason to take long hard look at their international position. There is little doubt that Scelba feels he is now in a much stronger parliamentary situation. Therefore, he may have decided that Italy cannot afford to let this last chance of obtaining a Trieste settlement slip through its fingers. His constant reference to necessity for reaching accord by July 15 suggests he is optimistic on eventual agreement. Nevertheless it is difficult to see how, from practical point of view, accord could be reached by July 15, unless Italians are willing to accept present solution and this seems almost too good to be true. Therefore, we should be unwise to exclude possibility that in fixing the date of accord as July 15, Scelba is building

[1]Repeated for information to London, Belgrade, and Trieste.

[2]In telegram 4306, Luce summarized the substance of her conversation with Scelba that day as it related to the military facilities negotiations. Scelba's main point was that with a Trieste agreement in hand, he would have no difficulty in securing approval of the facilities agreement. (765.5 MSP/6-2654) In telegram 4307, Luce summarized their discussion of other subjects, including Trieste. Scelba urged that a settlement be reached by July 15 and had emphasized that an immediate decision by Yugoslavia to reopen the frontier between Zones A and B would make conclusion of an agreement much easier. He also asked Luce to assure President Eisenhower and Secretary Dulles that Italy's foreign policy would continue to be firmly anti-Communist and pro-Atlantic. (611.65/6-2654)

an alibi for failure to follow Trieste with EDC and facilities immediately, and putting Italians in position now to hold us responsible later because we had not pressed Yugoslavs sufficiently on points considered essential by Italians and thus in consequence for not making it possible for Italians to deliver on EDC, facilities and SOF. Since this possibility does exist, I would recommend that you make clear to Tarchiani soonest that responsibility for success Trieste negotiations by July 15 (date which they, not we, have set) is largely now in Italian hands. We shall of course do everything we possibly can to assist toward successful conclusion of settlement by July 15, but overwhelming importance of reaching settlement should outweigh lesser considerations which Italians may have in mind to put forward in London.

LUCE

No. 214

750G.00/6–3054

The Assistant Secretary of State for European Affairs (Merchant) to the Chief United States Negotiator in London (Thompson)

TOP SECRET WASHINGTON, June 30, 1954.

DEAR TOMMY: At the risk of affronting your modesty, I want to pass on to you the following extracts from a summary of the first White House conversation between Prime Minister Churchill and the President, in which most laudatory references were made to the skill and ability you have shown in the Trieste negotiations:

"The President then raised the subjects of Egypt, Iran and Trieste which he said were related in his mind by reason of the fact that all three of them represented difficult problems, in which both our countries were concerned, which were on the verge of solution. He said that if we could solve these problems, that very fact would give a lift to the free world and make it easier to deal with the more difficult problems of Southeast Asia, and Europe. Parenthetically in the discussion of Trieste, the President indicated his confidence in being able to find from one source or another $20 million apiece for Italy and Yugoslavia if such payments proved necessary for ensuring a settlement. It was agreed that matters both in regard to Trieste and Iran were going well. . . .[1]

"The President said that the discussion was straying from the point he had been making which was that settlements with respect to Egypt, Trieste and Iran would be tokens of success for our diplomacy and make the handling of the larger problems the easier.

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[1]Ellipsis in the source text.

"There was some further discussion of Trieste, on which it was agreed that the UK–US negotiators had shown great skill. The President suggested that in addition to any aid we might give Italy to enable her to meet Yugoslavia's reparations claims, we should consider a payment, possibly of the order of $2,000,000, for the construction of a municipal building or center or in some fashion which would impress on the Italians and the people of Trieste our lasting interest in their affairs. He referred to the Turkish Prime Minister's statement to him that once Trieste was settled it should be possible to bring Italy into METO where it would serve as a pivot between the South European front and the Turkish-Pakistani front."[2]

I may add that the Secretary has also recently expressed to me his impression that your negotiations on this problem have been as masterful as any technical diplomatic negotiations he has ever known.

It is, of course, superfluous in the circumstances for me to add my congratulations but, in any event, I do so, in all humility, most sincerely.

Sincerely,

LIVIE

[2]Turkish Prime Minister Adnan Menderes headed an official delegation which visited Washington June 1–5, 1954, for talks with U.S. Government officials. No record has been found in Department of State files or at the Eisenhower Library of a conversation during this period between Prime Minister Menderes and President Eisenhower. Memoranda of Menderes' conversations on June 2 and 4 with Secretary Dulles are printed as Documents 489 and 490, respectively.

No. 215

750G.00/7-154

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] July 1, 1954.

Subject: Status of Trieste Negotiations

Thompson's and Harrison's negotiations with Brosio in London are proceeding in a good atmosphere, with three meetings last week and three so far this week. This confirms Thompson's impression, reported last week, that the Italians were ready to proceed expeditiously.

[1]A copy of this memorandum, drafted by Hooker and cleared with Thurston and Jones, was sent to Under Secretary Smith.

The main Italian requirements are: (1) that they get some modification of our proposals, to show that they have negotiated successfully and not accepted a US-UK-Yugoslav "diktat", above all with regard to the territorial provisions, and (2) that the settlement be presentable to the Italian public as provisional.

On the territorial side they are asking for adjustment at both ends of the proposed new interzonal boundary, but Thompson thinks they will eventually settle for redrawing the western end of the line so as not to lose the kilometer or so of seacoast the Yugoslavs want.

To insure that the settlement can be presented as provisional they are asking for changes in the proposed draft preamble to the final agreement, some of which are clearly unacceptable. But Brosio has indicated that they will not insist on all their changes if they get satisfaction on the territorial adjustment.

On the Yugoslav request on autonomy for Zone A the Italians insist that the provisions be reciprocal if included in the final agreement, but will if the Yugoslavs prefer make a somewhat weaker commitment in a unilateral statement to the US-UK.

On the proposed minority statute and economic clauses, Brosio is still without instructions. They want a vice consul in Zone B, and are much troubled by the proposed Yugoslav port development at Capodistria.

Although a small gap may be hard to bridge when one party has already made what we believe to be his maximum concessions, Thompson clearly believes that he can narrow the gap to a point where neither party can afford to let the negotiations fail. I believe he is justified in this judgment.

No. 216

750G.00/7–254

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Thurston)[1]

TOP SECRET [WASHINGTON,] July 2, 1954.

Subject: Trieste

Participants: Ambassador Mates, Yugoslav Embassy
Mr. Livingston T. Merchant, Assistant Secretary, Bureau of European Affairs
Mr. Ray L. Thurston, Director, Office of Eastern European Affairs

[1]Cleared with Merchant.

In the course of a *tour d'horizon* during which Mr. Merchant filled in the Yugoslav Ambassador on the highlights of the talk last week between the President and Prime Minister Churchill, Mr. Merchant mentioned that Trieste had been discussed very briefly and that it was the feeling of the British and ourselves that settlement of that question would open up vistas far out of proportion to the importance of the territorial question itself.[2]

When Mr. Merchant had finished his exposition, Ambassador Mates said that he was glad that the question of Trieste had been mentioned since that gave him an opportunity to talk about a matter which was of very direct concern to his Government. He wanted to stress above all the point that his Government had laid down all its cards in the London negotiations and that the tripartite agreement reached there could not be the subject of further negotiations with the Italians.

Mr. Merchant started to explain why it was difficult to put the affair on a take-it-or-leave-it basis to the Italians, and Ambassador Mates broke in to give a long account of high level conversations in which he had participated in Yugoslavia last March at a time when the instructions under which Velebit was operating were more restricted than the concessions which the Yugoslav leaders were prepared eventually to make. He said that in these meetings, which took place at Brioni, the danger of playing all the Yugoslav cards was discussed and that the Yugoslav Government had at that time made known its view to the British and ourselves at the highest levels that it would be advisable to take soundings with the Italians before reaching a final position. If the Anglo-American negotiators were not prepared to accept this suggestion, it was also suggested as an alternative that at the termination of the tripartite talks the position to be presented to the Italians not be the final one but the one put forward by the Yugoslavs two or three weeks before. Either one of these tactics would have obviated the take-it-or-leave-it problem. Ambassador Mates said that he was presenting this information to make it clear that the Yugoslavs had anticipated the difficulty to which Mr. Merchant was alluding. Ambassador Mates asserted most firmly that the Yugoslavs could accept only a settlement based on the content of the tripartite agreement.

Mr. Merchant replied that he was sure that the procedure followed had been the correct one and that he was encouraged by the

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[2]See Document 214.

restraint which had been displayed both in the Yugoslav and Italian press to believe that a settlement would be reached.

Ambassador Mates also raised the "provisional versus final" aspect of the Trieste question, stating that he believed that this could be handled by considering the agreement as legally binding but accompanying it by statements of a political nature on either side similar to the political reservation which had been made by the Yugoslav representative at the time of the signing of the Italian peace treaty. Asked what form this had taken, the Ambassador said that the Yugoslav representative had stated that his Government did not consider this to be a just settlement but that in the interest of peace, etc., his Government would abide by it. Ambassador Mates thought that it could be arranged that both the Italian and Yugoslav Governments could make a comparable statement in connection with Trieste settlement. He also referred to a recent article in *Borba* on the "provisional versus final" question—which he said represented the view of the Yugoslav Government—and noted that this article had been favorably reported in the Italian press.

No. 217

750G.00/7-254: Telegram

The Secretary of State to the Embassy in Italy[1]

TOP SECRET PRIORITY WASHINGTON, July 2, 1954.

25. Re report Ambassador's meeting with Scelba June 26[2] and regardless possibility Scelba may have been motivated by tactical reasons believe his ideas hold out hope for new constructive period in Italy's policies toward, and relations with, US and West. Take first opportunity deliver orally message along following lines to Foreign Minister with *aide-mémoire* for transmittal to Scelba.[3]

Begin Message. The Secretary has been profoundly impressed by the views and plans Prime Minister communicated to Ambassador Luce on June 26 and gratified by his positive assurances on that occasion. Secretary wishes Scelba to know we are pleased at this constructive approach not only to common problems that are facing us but to the revitalization of Italian leadership among the

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[1]Drafted by Freund, William E. Knight, and Merchant; cleared with Jones, Hooker, and Barbour; and repeated for information to London (for Thompson), Paris (for Satterthwaite), Belgrade, and USPolAd Trieste.

[2]See footnote 2, Document 213.

[3]In telegram 55 from Rome, July 5, Chargé Durbrow reported that he was able to see Piccioni that morning in order to carry out the instructions in this telegram. Piccioni had said he would transmit the *aide-mémoire* to Scelba and had expressed the hope that Scelba could carry out the suggested timetable. (750G.00/7-554)

free European powers. The time table Scelba has suggested for settlement of the Trieste problem as well as for favorable action on EDC and SOF ratification and agreement on establishment of base facilities is particularly encouraging as an indication of Italian intentions.

The Secretary has been led therefore to hope that the Italian Ambassador in London will be given the requisite authority to permit him to reach promptly, with the US and UK representatives, an agreement of character that will make possible a speedy settlement of the Trieste issue. For our part Scelba may be assured that we will do everything consistent with our role in the matter to assist in achieving an acceptable solution. *End Message.*

DULLES

No. 218

750G.00/7-354

The Secretary of State to the Secretary of Defense (Wilson)[1]

TOP SECRET [WASHINGTON,] July 3, 1954.

DEAR MR. SECRETARY: The Department of Defense has informally requested the views of this Department on the question of redeploying the TRUST forces to Austria, in view of the possibility that we may be approaching a solution to the Trieste problem. I have reviewed the matter and have concluded, after weighing the various political factors involved, that there is no objection to the transfer of the major part of the United States forces now in Trieste to the U.S. Zone of Austria at such time as it becomes possible to withdraw them from Trieste.

It is my understanding that approximately 3,000 military personnel are involved, that the troops in question have few dependents, and that no significant housing problem such as was mentioned in my letter of October 24, 1953,[2] would be created by their transfer to Austria. It would help to minimize the political reactions of the augmentation of our forces in Austria if the troops could, after their departure from Trieste, be phased into Austria gradually and ostensibly as replacements. Also, if it were found possible to send at least a token number of troops to some station in Europe other than Austria, our position would be enhanced, I believe, by thus being able to state that only part of the U.S. troops from Trieste had been transferred to Austria.

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[1]Drafted by Freund, Barbour, and Merchant, and cleared with Palmer (RA) and Jones.

[2]Document 141.

If you should decide in favor of redeployment to Austria, I should appreciate being informed sufficiently in advance, in order that we may inform the appropriate foreign governments in regard thereto before the actual transfer of troops to Austria takes place.

I understand that it is the opinion of General Gruenther and the Joint Chiefs of Staff that these TRUST forces should not be brought back to the United States but should be continued in Europe as part of our NATO commitment. In view of what I understand to be the military judgment, I do not comment upon the possible return of the troops to the United States.

Sincerely yours,

JOHN FOSTER DULLES

No. 219

750G.00/6-3054

The Chief United States Negotiator in London (Thompson) to the Assistant Secretary of State for European Affairs (Merchant)

TOP SECRET LONDON, July 6, 1954.

DEAR LIVIE: Many thanks for your letter.[1] I take a very dim view of the President's idea of our constructing a building to leave behind in Trieste. This might annoy the Yugoslavs, would have to be carried out after we left, and we have already through ECA done an enormous amount of construction there. There are many worthy projects, such as a fund for resettlement of refugees, etc., which could be developed if we are inclined to spend more money, but do not think this necessary.

I suggest that you give me instructions on when and where our statement of non-support would be issued. I would assume it would be in the various capitals, timed simultaneously with announcement of signature of the settlement. Also would like guidance on how we should handle announcement of the agreement. One possibility would be for the four of us to hold a joint press conference here or alternatively to hold simultaneous press conferences. Assume the Department would in any event wish to make announcement. Advantage of our doing something here is that we might be able to handle questions more easily, but I have no feeling about the matter myself. All of this is on the assumption that the Yugoslavs will give back a few more acres.

All the best, LLEWELLYN E. THOMPSON

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[1]Document 214.

No. 220

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum by the President

[WASHINGTON, July 9, 1954.]

Notes to discuss with Foster Dulles 7/10/54[1]

Mrs. Luce tells me that in her negotiations for bases in Italy, her understanding is that *at all cost* she must secure permission from the Italian Government. This she thinks puts America at a very great disadvantage in that the Italians practically feel that they held a blackmailing position against us. Personally, I do not feel that bases in Italy are vital at all, and I think the importance of having them there diminishes every day. If she were able to give the Italians the intimation and information that we were losing interest in the thing, the situation might change.

Anyway, that applies to all our foreign relations. In selling the United States the idea that "we cannot live alone" we have also sold the Europeans the idea that we are completely dependent upon their cooperative attitude.

In a sense this is, of course, true, but if there is not full recognition of a *common* need and because of this the cooperative effort breaks down, it is equally true that they will feel the pinch long before we will.

As a consequence, I wonder whether we should not—by clandestine methods if necessary—let it be known that we are considering alternatives to all plans that are not progressing favorably and in support of which enthusiastic cooperation has not been given.

I want to get the latest information on Trieste.

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[1]The President apparently used this memorandum to prepare for a discussion with Dulles on July 10. According to the President's "Note After Conversation With Foster Dulles," dated July 10, he remarked, with respect to "yesterday's note after talking to Clare Booth Luce regarding bases in Italy," that he had "a long conversation with Foster Dulles, who agrees in principle and is going to see how we can implement the idea." (Eisenhower Library, Eisenhower papers, Whitman file) The President also quoted most of this memorandum in his memoirs, *Mandate for Change*, pp. 416–417.

No. 221

EUR/RA files, lot 54 D 514, "Trieste 1954"

Memorandum by the Director of the Office of Western European Affairs (Jones) to the Deputy Assistant Secretary of State for European Affairs (Elbrick)

SECRET [WASHINGTON,] July 14, 1954.

Subject: Memorandum of Conversation between Mrs. Luce and Mr. Merchant

When Mrs. Luce called on Mr. Merchant on July 9 she told him briefly of her call at the White House just preceding. In addition to a general discussion of US foreign policy the Ambassador reported that she discussed the following specific points with the President:

1. *Trieste:* Mrs. Luce told the President that very shortly the Trieste negotiations would be back with the Yugoslavs. She expressed the hope that the US would be firm with them and make them accept a reasonable compromise between their and the Italian positions. She said that if it had been worth $20 million to the Yugoslavs to permit us to keep our word it should be worth $40 million to the Italians for having broken our word (October 8, I assume). The President asked her what the outstanding differences were between the Italian and the Yugoslav Governments over the Trieste issue at the moment. She said that they were "hash marks" on a map and economic considerations. The President had no suggestion for the boundary but said that if there were any problem of money to bring about a settlement he assured the Ambassador that he would find it.

2. *Facilities Agreements with Italy:* The Ambassador, in discussing with the President the wisdom of using pressure in Western Europe to achieve our various objectives, gave the military facilities negotiations with the Italians as an example. She suggested that she be given a cut-off date, if that were possible from the Defense Department's standpoint, and then be authorized to tell the Italians that a draft facilities agreement was available for them to sign within "X" number of weeks or months; that if they did not sign it by that time we would look elsewhere for our defense arrangements. The President appeared to agree with this and said that he had consistently instructed Defense Department officials that they were not to beg for base facilities abroad but rather to put the proposition on a "take-it-or-leave-it" basis.

With respect to the latter subject Mr. Merchant suggested that the Ambassador see the Under-Secretary for Defense, Mr. Anderson, before beginning her holiday on Saturday.[1] It was also suggested that she instruct the Embassy at Rome to communicate with the Prime Minister and, with reference to his promise to sign

[1]July 10.

the Facilities Agreement within 24 hours after a Trieste settlement, to ask what agreement he was referring to in order to assure that we would be in complete accord on the draft text when the day arrived to request the Prime Minister to honor his commitment. The Ambassador agreed to these suggestions and subsequently saw Mr. Anderson at the Pentagon on her way to the airport Friday evening.

No. 222

Italian Desk files, lot 58 D 357, "Italy V"

Memorandum by Richard R. Baxter of the Office of the General Counsel in the Department of Defense[1]

SECRET WASHINGTON, July 9, 1954.

Subject: Conference between Secretary Anderson and Ambassador Luce Regarding Military Facilities Agreement in Italy.

On 9 July, I was among those attending a conference between Secretary Anderson and Mrs. Luce with regard to the Military Facilities Agreement with Italy. Mr. Rogers of the Department of State and Colonel Anderson and Mr. Leffingwell were also present.

Mrs. Luce said that she had spoken with the President this morning and had discussed the negotiations in Italy with him. She reported that he was opposed to bringing that sort of pressure on Italy which had led to the breakdown of similar negotiations with Norway.

Mrs. Luce went on to say that the process of negotiating on a purportedly urgent basis over a period of 17 months had become humiliating. She therefore proposed that, in light of Mr. Scelba's assurance that the Facilities Agreement would be signed within 24 hours after the solution of the Trieste problem, all speed be made in finishing negotiations on outstanding matters of detail. She believed it politic to inform the Italians that we could not assure that funds would be available for the implementation of the base program unless they presented a text suitable to them by a stipulated date—say, 31 July. She believed that this would test their seriousness of purpose about actually concluding an agreement. If this proposal elicited no response, we should then lay before the Ital-

[1]This memorandum was sent to Charles E. Rogers of EUR/RA as an attachment to a brief covering memorandum of July 14 from Baxter. Rogers' own description of the July 9 conference with Ambassador Luce and Under Secretary of Defense Anderson is contained in his memorandum of July 30 to John Wesley Jones. (EUR/RA files, lot 58 D 357, "Italy V")

ians an acceptable text, leave it with them, and allow them to examine it at their leisure. Aside from an occasional friendly inquiry, we should make no further attempt to press the matter.

Mr. Anderson believed that this procedure was acceptable, provided agreement on a text for the agreement was coupled with the solution of the Trieste problem. Mrs. Luce said she would have no objection to this, as long as it was not indicated to the public that the price of Trieste had been Italy's giving in on the facilities issue. Mr. Anderson placed considerable emphasis on the necessity of arriving at satisfactory arrangements about status of forces prior to the coming into effect of the NATO Status of Forces Agreement and said such understandings should certainly be a part of the facilities package. Mr. Rogers said that he believed that the final outstanding issues on matters of detail could be ironed out in relatively short order, and I gave an affirmative answer to Mr. Anderson's question whether the lawyers could "stay right with" the working out of the final text. Mrs. Luce anticipated that once Italy had taken the plunge on the Facilities Agreement, it would have considerably less difficulty with the ratification of the NATO Status of Forces Agreement.

Mr. Anderson was of the view that if the Facilities Agreement were not to be concluded at the same time as the solution of the Trieste problem, we should remove our forces from Italy. Mrs. Luce, Mr. Rogers, and Colonel Anderson expressed doubt that such drastic action should be taken. Mrs. Luce said it would be far more effective to pull out forces gradually and without announcement and that such action would speedily become known and a matter of concern to the Italian Government. Mr. Anderson directed that the Joint Chiefs of Staff be queried about how long negotiations might be prolonged if prompt agreement on the text of the agreement were to prove impossible of achievement and what action should be taken with regard to our forces in Italy if continued negotiations were determined to be unfruitful. Mrs. Luce expressed concern about the Clement case during the course of the conversation and said that it "set her teeth on edge". [Clement was an American officer involved in a hit and run accident in Italy. He had been tried by the Italians and given a one year's suspended sentence. Mrs. Luce had previously expressed the view that he should be court-martialed to avoid adverse Italian reaction, but General Arnold had declined to take such action. The case is now the subject of negotiations between the Departments of State and Defense.][2]

Mrs. Luce said she hoped that persons evacuated from Trieste through Leghorn would be properly briefed and would not be guilty

[2]Brackets in the source text.

of any disorder that might prejudice our relations with the Italians. Colonel Anderson assured her that proper discipline would be maintained.

RICHARD R. BAXTER
Assistant Counsel (ISA)

No. 223

750G.00/7-1254: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, July 12, 1954—8 p.m.

225. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson.

1. In presenting Italian counterproposals Velebit,[2] we emphasized important fact we had held Italians within general framework of the proposals put forward and had also held them to reasonable counterproposals. Also pointed out that while Italians had insisted upon being treated as equals and on maintaining principle of reciprocity, this was in many cases question of form rather than real substance.

2. Velebit made no comment on the two minor amendments to the preamble.

3. On the proposals on traffic and movement of persons he objected strongly to paragraph 1 and paragraph 4. His objection, however, was based briefly on having it applied specifically to the area of the FTT. He would like for example facilitation of border crossing between Yugoslavia proper and Zone A. I doubt if Italians will make serious objection to this. We have already broached with the Italians the possibilities of dropping Article 1 of the Annex if Yugoslavs will take reasonable action beforehand, which seems a possibility. He was categoric in stating his government could never accept reciprocity on autonomy but after long discussion he indicat-

[1]Repeated for information to Belgrade, Rome, and Trieste.

[2]In telegram 156 from London, July 9, Thompson reported that Brosio had given his approval to the rewording of the Italian Government's counterproposals and that Thompson now wished to present them to Velebit as soon as the Department of State approved such an approach. (750G.00/7-954) In telegram 183 to London, July 10, the Department of State approved Thompson's meeting with Velebit on July 13 or sooner, but stated that Thompson should bear in mind that it would probably not have had an opportunity to comment on the text of these proposals prior to the meeting with Velebit. (750G.00/7-954) The text of the redrafted memorandum of understanding and related documents were attached to a letter of July 9 from Thompson to Hooker. (750G.00/7-954)

ed he would recommend dropping this provision altogether which would be satisfactory to Italians.

4. On reparations we stated Italians accepted principle of lump sum payment and willing set minimum figure of $10 million. We indicated this could be very substantially increased if agreement as whole satisfactory. He was not impressed by offer to reduce period since the lead time on many items they would want would extend beyond the 2 years.

5. He also was firm in stating they could not possibly agree to fisheries agreement on ground it would be politically unacceptable since Yugoslavia had developed its own fishing industry and the Italians would inevitably destroy the grounds by over-fishing. We argued that even a short term fisheries agreement would help us get larger reparations and that avoidance of incidents in period following agreement would be very important.

6. On the credit institute he was opposed to any exchange of letters and said in any event Yugoslavs could not agree to Italian credit institute operating in Yugoslavia. He admitted present Yugoslav laws would not permit operation of a comparable private institute. Most promising of various alternatives we explored was that Italians might assure US and UK that in pursuance of Article 6 of the Minorities Statute they would license the Slovene Credit Institute before the end of this year.

7. He seemed pleased with the provision about cultural house although he pointed out that Italian cultural institutes already operating Zone B. Although Italians had expressed no interest in the names of the cultural institutes to which the houses in Zone A would be given, Velebit was quite agreeable to my suggestion that provision might merely be made for them to go to "representatives Slovene organizations" and said he would make some suggestions on this. He mentioned specifically Agneletto.

8. Velebit was adamant on the question of an Italian Consulate in Capodistria. He argued that consulates dealt with citizens and there would be few Italian citizens in Zone B. The Yugoslav Consulate in Trieste was concerned with commercial and shipping matters which justified their request. We made clear that this was firm sticking point of Italians and he finally indicated that he would personally suggest but was by no means sure his government would agree to establish a basis of reciprocity by allowing the Italians to open a consulate somewhere outside the FTT, such as Llublana, which would have jurisdiction over Zone B.

9. We presented the original Italian request for modification of the boundary proposal but told him we had let the Italians know we would not support a line which gave them Ospo.

10. In presenting the proposals I said we believed the Italians were prepared to approach the problem in a new spirit and genuinely endeavoring to establish basis for cooperation. In this connection, I said we would count on the Yugoslavs not to take any precipitate action in Zone B in the immediate period after agreement which would make matters difficult. Velebit remarked that the only thing he could think of which might fall in this category would be conscription. Moreover in discussing movement of persons he said they would not want large numbers of Italian troublemakers to return to Zone B. Also in discussing consulates he referred to provisions for option that were included in Italian Peace Treaty for Territory ceded to Yugoslavs. Yugoslavs are clearly thinking in terms of virtual annexation.

11. Velebit's reaction as a whole was that changes proposed meant that agreement was probably impossible. When we asked him to list points that troubled him most, he mentioned territory, autonomy, consulates and provisions about opening the frontier, but since this list did not justify his gloom he had recourse in stating that although the changes were small they added up to changing the character of the agreement. His courier carrying the text to Belgrade is expected arrive there Thursday morning.

ALDRICH

No. 224

750G.00/7-1354: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, July 12, 1954—2 p.m.

229. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. In view of attitude Velebit, who normally has maintained calmer attitude than his superiors, believe we must be prepared for explosion in Belgrade. While Riddleberger will doubtless wish avoid being drawn into discussion details, following arguments and suggestions may be helpful. Essential point for Italians is reasonable modification of line and I believe we should concentrate on this point since some form of compromise possible on nearly all other points. Yugoslavs likely repeat they had already gone limit of concessions. While we have carried out our agreement to support strongly with Italians line proposed by Yugoslavs we

[1]Repeated for information to Belgrade, Rome, and Trieste.

were careful in discussing line with Velebit to make clear that we had to be in position to take account of Italians arguments and made clear we were not experts on area concerned. In order play down extent our commitment re specific line Harrison and I had our assistants work out with Primozic the detailed drawing of the line. Italians have strong case for Lazaretto and small basin to south and east as it is inhabited chiefly by Italians. Even under Italians proposals Yugoslavs get back some 2,400 Slovenes and would give up only 150. Yugoslavs get a number of villages they can talk about whereas Yugoslavs proposals would not give Italians a single village. Would be tragic if such important issues broke down on question 150 people who could certainly be resettled if necessary. Emphasis, however, should be on coastal area. If Yugoslavs unwilling give up even 150 people, how can they expect Italians to give up much greater number of their nationals in addition to large number of Slovenes. Suggest general line should be we consider Italian proposals reasonable but are willing to attempt meet any legitimate Yugoslav considerations.

Velebit emphasized that present proposal is virtually October 8, without the offsetting eating crow by the Italians which would have helped Yugoslavs sell solution to Slovenes. Italians have in fact made concessions re cultural homes, etc.

Yugoslavs may use case to squeeze further economic aid. In this connection we are prepared press Italians to very substantial reparations payment if only reasonable modification of line accepted.

Velebit admitted that outstanding issues are in themselves small and believe we would do well stress that with so much at stake we cannot understand holding out on what is really question of a few acres.

Although I believe Italians could be brought to drop demand for fisheries agreement, but only at cost of reduced reparations, if Yugoslavs press this we might draw attention to inconsistency their pressing us desperately for further aid and refusing this possibility of assistance.

In view likelihood we will have to make direct appeal to Tito to close gap, would urge strongly we endeavor to avoid unilateral approach to Tito on Balkan alliance if this can be avoided.

ALDRICH

No. 225

750G.00/7-1554: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, July 15, 1954—6 p.m.

275. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. Astonishment expressed by Belgrade's 14[2] reciprocated, but believed difference of view largely attributable to misunderstanding present status of negotiations. Agreed record initialled with Yugoslavs was never intended as a complete and final solution of Trieste problem since we have constantly made clear we could not express the final judgment on a solution until we had held discussion with Italians. Rather this record was statement of Yugoslav position which we agreed, put to the Italians and in our discussion with Velebit we consistently differentiated the degree of support which we would give to the various items covered. Although Yugoslavs took position they had made their maximum concessions, we did not accept this position and rejected Velebit's various attempts to put this in writing, stating that if he did so we would have to counter with statement which would protect our position. Other than telling Italians we would not support their request for Ospo, our discussions with Italians on territory were confined to exploration their point of view and we have made no specific request, other than that mentioned for them to modify their counterproposal on boundary. The reason for this is that in the first place, their proposal is not unreasonable and that they have conditioned their acceptance of two other major parts of the agreement upon getting substantial acceptance of their territorial proposal. Before making our final judgment on what we would push the Italians to accept on territory, we considered wise first to discuss all their counterproposals with Yugoslavs. I hope to convince Velebit, it's to Yugoslav interest give substantial satisfaction to Italians on their relatively minor demands regarding territory in order secure their acceptance of our formula regarding permanence of solution and a reasonable reparations figure. Only discussion with Velebit on territory was my remark regarding Ospo and his statement we knew they could not give up Sacerb. Resentment he expressed was directed chiefly toward the question of Consular representation, Slovene Credit Institution and Autonomy. In this revealing discussion he went far toward admitting Yugoslavs wantec

[1]Repeated for information to Rome, Trieste, Ankara, Athens, and Belgrade.
[2]Not printed.

demonstrate Italians had behaved badly and that such humiliating action would assist Yugoslavs in selling solution to their people. Although Velebit does not himself appear personally to attach great importance to autonomy provision, he was apprehensive of effect our failure obtain unilateral declaration would have in Belgrade. If territorial question resolved satisfactorily, believe Italians will agree make unilateral declaration to us since they will in any event accord measure of autonomy to Trieste. From discussions with Velebit, however, believe their fears that Yugoslavs intend use this provision as basis for intervention in Zone A affair is justified.

More Yugos will concede on territory better agreement we can obtain and believe that unless Italians obtain approximately half readjustment they have requested whole entire character of agreement may be upset. If, nevertheless, Yugos insist upon the line as it stands, we are still in position press Italians to accept it even though in my opinion such decision on part of Yugoslavs would be most unwise.

I fully agree with seriousness of situation reported Belgrade's 13, July 14[3] and suggest that if Turks and Greeks are unable to remove this misunderstanding we should attempt to do so directly.

ALDRICH

[3]Not printed.

No. 226

750G.00/7–1454 Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET NIACT WASHINGTON, July 15, 1954—7:50 p.m.

62. Urtel 38.[2] Department has always been aware that decision to push Yugos to maximum concession before going to Italians might make a narrow gap between positions of two hard to bridge. But Yugos could have had no illusions about necessity of taking account Italian arguments. We believe Yugos sufficiently realistic to know that we must in interest solution avoid to maximum degree possible loss of face to Italians well as to Yugos. Decision on how far and when to press both parties involves exercise of judgment in bringing their positions together without undue loss of face on

[1]Drafted by Hooker and cleared by Barbour with Jones and Thurston. Repeated for information to London, Rome, and USPolAd Trieste.

[2]See footnote 3, *supra*.

either side. Department fully supports Thompson's judgment as to extent to which it was desirable in this phase negotiations to push Italians to May 31 proposals. Department confident that if development of which we were forewarned London's 229[3] should arise you will make most of line of argument suggested.

Fact that Yugoslavs made maximum concession (which we appreciate and are not overlooking) did not necessarily dictate that it would have been sound tactics to attempt at that stage to force Italians to accept *fait accompli.* Yugoslavs cannot be surprised that we come back to them with less than full Italian agreement on all points of package. Overall position we are presenting to Yugoslavs not out of line, in total effect, with May 31 and essential long range interests both parties would be served by acceptance. Department does not plan for present make representations to Mates at least pending Velebit's report of official Yugoslav initial reaction which we hope may be revealing of ultimate attitude and of assistance in deciding further tactics.

DULLES

[3]Document 224.

No. 227

740G.00/7-1654: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, July 16, 1954—8 p.m.

47. 1. Having received both London's 272 to Department[2] and Department's 62 to Belgrade[3] now realize that profound misunderstanding exists between London-Washington on one hand and Belgrade on other re tactics on Trieste. This is now clarified by Deptel 62 and I shall be governed accordingly. Urgently wish to comment that we never suggested forcing Italians to accept *fait accompli* but did recommend how territorial issue might be dealt with here. From Merchant conversation with Italian Ambassador I was under erroneous impression that Department was supporting oral approach.

2. Thompson need have no concern re support here on basis of Department's instructions which I shall faithfully carry out as in

[1]Repeated for information to London, Rome, and Trieste.
[2]Reference presumably is to Document 225.
[3]*Supra.*

the earlier stages. I do not pretend arguments are convincing in view of whole history of negotiation but I shall do my best with them. . . . I have not since intervened in view of Department instructions in final sentence first paragraph of Deptel 62. . . .

RIDDLEBERGER

No. 228

750G.00/7-1954

The Chief United States Negotiator in London (Thompson) to the Assistant Secretary of State for European Affairs (Merchant)

TOP SECRET PERSONAL LONDON, July 19, 1954.

DEAR LIVIE: I have somewhat prolonged the exchange of telegrams with Jimmy Riddleberger[1] not through any desire to win an argument, but because of the belief that if he were not convinced of the soundness of our tactics and policy he would make a poor advocate. I am completely unable to understand his reasoning. Although I had also not wanted to push the Yugoslavs to their final position before approaching the Italians, that is water over the dam and I am by no means sure that I was right and the Department wrong. Scelba nearly blew up in our faces as it was and we will never know what he might have done had we gone to them with a stiffer proposition.

Because of the complications of the Balkan Alliance I am in despair at ever getting through here, but hope we will hear from Velebit tomorrow and at least get on with the struggle.

All the best,

LLEWELLYN E. THOMPSON

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[1]Thompson sent another telegram to the Department on July 19, telegram 314, repeated to Belgrade, Rome, and Trieste, in which he addressed himself further to the criticisms of his approach in London made by Riddleberger. (750G.00/7-1954) In telegram 57 from Belgrade, July 20, repeated to London, Rome, and Trieste, Riddleberger commented on Thompson's remarks, concluding as follows: "Whatever misunderstandings may have arisen [it is] important to find settlement of Trieste and we shall lend all our efforts to carry out Department's decisions. Realize that here on middle Danube we do not have safe telephonic access nor has [it] been possible for us to have face-to-face discussions with Secretary or Thompson, and, therefore, we may not always be informed of all aspects." (750G.00/7-2054)

No. 229

Editorial Note

The Yugoslav reply to the draft proposals regarding Trieste was given by Ambassador Velebit to Thompson and Harrison on July 21. Velebit gave them a new draft of the proposed memorandum of understanding which accepted the language of the preamble and Articles 1 and 2, but recommended a number of changes in and additions to the other articles. Velebit made it clear that the most important points for Yugoslavia were the issue of territory, on which it stood firm, and the possible connection of reparations with the fishing agreement, which it was firmly resolved not to accept. The substance of the Yugoslav reply was reported in telegram 364 from London, July 21. (750G.00/7-2154)

The Yugoslav position on Trieste was the subject of discussion at the Secretary's staff meetings on July 19 and July 21. At the former meeting, Deputy Assistant Secretary of State for European Affairs Elbrick said that Ambassador Riddleberger appeared unduly concerned with regard to the recent developments in the Trieste negotiations. Secretary of State Dulles indicated that it had been his own impression that Yugoslavia had been squeezed quite hard at the time it had agreed to the May 31 memorandum and that it was unlikely that any more concessions could be obtained from Yugoslavia, particularly if Yugoslavia had initialed the May 31 agreement. Dulles added, however, that the Department of State would defer to Thompson as to how much further the Yugoslavs could be pushed. (Secretary's Staff Meetings, lot 63 D 75, "July 1954") Apparently as a result of this meeting, Elbrick sent a memorandum, dated July 19 to Dulles, in which he said, "You ask to what extent the United States-United Kingdom are committed to the proposals worked out with the Yugoslavs and embodied in the 'Agreed Record of Positions' dated May 31." Elbrick pointed out that the United States and the United Kingdom found themselves "compelled to extract the utmost possible concessions before going to the Italians because we did not think that lesser Yugoslav concessions made up a good enough proposal to constitute a hopeful basis for discussion with the Italians." Elbrick concluded by saying that it was believed that this judgment had been confirmed "in that the Italian counter proposals do not differ substantially on any point" and that "what remains is now a matter of trading minutiae and that neither party can afford to let agreement fail on account of the minor differences that remain." (750G.00/7-1954)

At the meeting of July 21, Elbrick expressed his belief that Yugoslavia was not going to agree to any change in the territorial ad-

justment to which it had previously committed itself. He said that he was certain this would be Yugoslavia's position, even though only approximately 30 acres were still in dispute between Italy and Yugoslavia, unless strong representations were made to Tito. A lengthy discussion followed among Secretary Dulles, Murphy, and Elbrick concerning the United States position with respect to the May 31 agreement. It was finally agreed that it had been made clear to the Yugoslav negotiators that even though the United States and United Kingdom had initialed this agreement, they were not legally committed to it as their final and fixed position. Secretary Dulles further stated that he thought Italy should accept the loss of the 30 acres. (Secretary's Staff Meetings, lot 63 D 75, "July 1954")

No. 230

Secretary's Memoranda of Conversation, lot 64 D 199, "August 1954"

Memorandum of Conversation, by the Deputy Assistant Secretary of State for European Affairs (Elbrick)

SECRET [WASHINGTON,] August 3, 1954.

Subject: Trieste

Participants: Mr. Alberto Tarchiani, Ambassador of Italy
The Secretary of State
C. Burke Elbrick, Deputy Assistant Secretary, EUR

The Italian Ambassador called briefly on the Secretary this morning at his own request. The purpose of this call was to discuss recent developments in connection with the Trieste issue and he handed the Secretary two memoranda on this subject.[1] The first memorandum suggests a direct appeal on the part of the United States to "the supreme authorities of the Yugoslav Government" as necessary to remove the obstacles which have now "stalled" the negotiations. The second memorandum notes what the Ambassador described as the "negative nature" of the latest Yugoslav counterproposals.

The Ambassador said that the negative attitude of the Yugoslav Government on such basic questions as interzonal traffic and a fisheries agreement is most discouraging. He said that this attitude would affect future cooperation between the two countries and that they should be settled now. The Secretary told the Ambassador that it was unnecessary for him to direct his arguments to us since

[1] Neither printed; copies of the two memoranda are in file 750G.00/8–354.

the United States Government is convinced of the necessity of reaching a mutually satisfactory agreement which would form the basis for close cooperation between Italy and Yugoslavia. The Secretary made no comment in response to the Ambassador's suggestion that we make representations directly to Tito but the Ambassador seemed satisfied with the general reassurances given him by the Secretary.

No. 231

750G.00/8-354

The Chief United States Negotiator in London (Thompson) to the Ambassador in Yugoslavia (Riddleberger)

TOP SECRET LONDON, August 3, 1954.

DEAR JIMMY: I don't know if there is much purpose in continuing our argument but it might be helpful for your background if I at least made some answer to the points contained in yourtel 23 [*33*] of July 20.[1] The territorial proposal we made was to move the boundary back a kilometer or so on the Muggia Peninsula. The exact line we settled on, however, was a result of Velebit endeavoring to push it much farther to the North. It is true that we had mentioned Punta Settile but my point is that the line we had proposed was not this exact line but one more feasible to the Italians. In drawing the line I repeatedly said to Velebit that I was not a geographer and that we would have to be free to consider minor changes in the line. We also made quite clear that we would not consider ourselves bound by their statement that they had made the maximum concessions and when he talked of putting this in writing we told him if he did we would also protect our position by stating we could not be bound by these proposals until we had heard from the Italians. In the recent discussions Velebit not only has never denied this but has never suggested in any way that we were guilty of bad faith. We did agree to press the territorial proposal on the Italians and have done so. You have a valid point that at the time your message was written we had not exerted maximum pressure. I am completely convinced, however, that we should not have done so without at least going back to the Yugoslavs with the Italian counter-proposal. I am also convinced that it would have been to the Yugoslav's best interest to make the small conces-

[1]Reference is presumably to telegram 314 from London, July 19, repeated to Belgrade as telegram 33. This message is briefly summarized in footnote 1, Document 228.

sions we have asked them to make. If we get it we can, I think, get a good agreement, if not, it will be anything but a good agreement and one likely to lead to bad relations between the two countries. Quite apart from the fact that the Yugoslavs will probably have to forego a considerable amount of reparations. I have never meant to suggest that this minor change would be easy to obtain but I am equally convinced that we are right in pressing for it.

So far as your suggestions of the way to handle going back to them are concerned I suppose I or the Department should have answered this as such. I did not do so myself as I thought the telegrams exchanged with the Department and Trieste spoke for themselves and were convincing in making clear that none of them with the possible exception of additional economic aid, on which I was not competent to speak, were feasible.

Your messages hit me at a time when I was very discouraged not only over the negotiations but also the effect these delays were having on my personal life and plans, and I should tell you frankly I bitterly resented the implication that we were being pro-Italian and anti-Yugoslav in the way we were handling the matter. I do not think this was justified. I quite agree that if we could have sat down together and talked this over we could have at least dispelled part of the misunderstanding but the pouch takes so long that I did not feel at any one time that anything I could write you to supplement my telegrams would have been useful by the time the letter arrived. Looking back this was probably a mistake but we have constantly felt we were on the verge of a settlement. I do think the Italians have up to now behaved better than your clients for the reason that they doubtless are more interested now in obtaining a settlement. They, at least, spared us several months useless argument by refraining from starting from their extreme position. We have been careful to keep strong pressure on the Italians by not letting them know that we are still trying to improve the territorial settlement but we have to worry about the possibility that they will explode in public and our chances for a settlement will be completely ruined. I imagine the issue will have been decided by the time you have received this and my guess is that our chances are somewhat better than even. If your clients don't give an inch we may still be able to bring the Italians into line but I would not want to put any money on it.

. . . . . .

To add to my miseries the Department is pulling out Charlie Yost almost immediately. I was not consulted and learned of it only from him. In the circumstances and because of the impossibil-

ity of changing again the plans of Jane's family and mine for the fifth time I have finally decided to defer my home leave until next spring. It is not practical for us to go in the winter but this will mean that we will have been away for five years. You can imagine that my morale is not as high as it might be. If on top of all of this we don't succeed I shall probably add another ulcer to my collection.

All the best,

Sincerely yours,

LLEWELLYN E. THOMPSON

No. 232

PPS files, lot 65 D 101, "Trieste"

Memorandum by the Secretary of Defense (Wilson) to the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET WASHINGTON, August 3, 1954.

Subject: Redeployment of United States Forces in Trieste.

1. The Joint Chiefs of Staff have reviewed the problem of the redeployment of United States Forces in Trieste in the event of a political settlement of the Trieste issue. They have reiterated their previous recommendations that these forces be redeployed to the U.S. Zone of Austria and have stated that they consider from the military point of view such redeployment to be in the best United States national interest. The Joint Chiefs of Staff request an early decision in order that planning for this eventuality may proceed.

2. The Chairman of the Joint Chiefs of Staff in commenting upon the recommendations of the Joint Chiefs of Staff stated that he does not disagree with the basic recommendations of the J.C.S. but does feel that while from a military point of view the J.C.S recommendation is sound, other and perhaps controlling reasons of a political or international public relations nature might well make it unwise to redeploy United States troops from Trieste to Austria.

3. Should it become necessary to redeploy United States Forces from Trieste prior to reaching a final decision in the matter, it is presently planned that they be moved to Leghorn, Italy, where they can remain for a period of from thirty to sixty days.

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[1]This memorandum was distributed by Lay to the members of the National Security Council under cover of a memorandum dated Aug. 4, which indicates that the subject of the redeployment of United States forces in Trieste would be considered by the Council at its meeting on Aug. 12.

4. I recommend that the U.S. Forces in Trieste be redeployed to the Continental United States at such time as it is practicable for them to be withdrawn from Trieste. Upon the withdrawal of the present U.S. Forces in Trieste it is considered that the mission which originally dictated their assignment to that area has been accomplished and that their redeployment to the U.S. Zone of Austria or to other countries in Europe is unwise. It is also considered unwise for U.S. Forces to be redeployed to Austria in order to reinforce the weakened defenses in that area occasioned by the withdrawal of other allied forces. The political settlement of the Trieste situation, which we hope will soon be accomplished, is predicated upon the assumption that the Italian and Yugoslavia forces can effectively contribute to the security of that area. Substantial U.S. funds in the form of payments to these countries is involved in the Trieste settlement and the advantages to this country in returning these U.S. Forces to the United States will serve in some way to reduce the total overall cost of the settlement of the Trieste situation.

5. While it is true that the combat elements of the U.S. Forces in Trieste are presently indicated as available to SHAPE in the event of war and are so listed as part of the U.S. contribution of forces to NATO, their presence in Europe is, however, in response to a commitment which existed prior to the coming into being of NATO. Should withdrawal of these forces from Europe and from their NATO obligation be decided upon, the United States would of course follow presently agreed procedures for prior notification to the North Atlantic Council through the U.S. Permanent Representative.

These forces could remain committed to NATO for redeployment after M-Day in the event of hostilities, even though they were in the United States.

6. It is requested that this subject be made an item on the agenda of the National Security Council at its meeting on August 12th in order that an early decision in this matter can be reached.

C.E. WILSON

No. 233

Eisenhower Library, Dulles papers, White House Memoranda

Memorandum by the Secretary of State to the President[1]

SECRET
PERSONAL AND PRIVATE

[WASHINGTON,] August 7, 1954.

Subject: Italian Facilities Negotiations

In reply to your query concerning Ambassador Luce's suggestion to you that we avoid putting pressure on Italy to secure base rights,[2] I believe the course we are now following avoids any such appearance or fact. The present status of the Italian facilities negotiations is as follows.

Following her talk with you and in agreement with Ambassador Luce, this Department and the Department of Defense, our Embassy in Rome has been working out with the Italian Government, in an atmosphere free from pressure on our part, the remaining relatively minor open articles in the text of the agreement. It is our hope that an agreed text will be arrived at shortly.

Prior to her departure from Rome Premier Scelba volunteered to the Ambassador his assurance that he would sign the facilities agreement twenty-four hours after a Trieste settlement was reached. It is our hope that by the time the Trieste agreement is concluded, the text of the facilities agreement will be in agreed form and Scelba will perform on his promise. Should he fail to keep his word we do not intend then or thereafter to exert pressure on him but to follow the general line with him that we are not attempting to force on Italy facilities and protection which is in their own interest, and in the absence of Italian desire for these arrangements we will consider redeployment of the forces in question and arrangements elsewhere.

JOHN FOSTER DULLES

[1]Drafted by Merchant.
[2]See Document 220.

No. 234

EUR files, lot 59 D 233, "Subject files IV"

Memorandum by the President to the Secretary of Defense (Wilson)[1]

TOP SECRET WASHINGTON, August 9, 1954.

You and I once discussed the possibility of stationing the Trieste forces (in the event of a favorable outcome on the Trieste negotiations) in the Leghorn region. While of course I have no objection to the study of this matter, I am quite certain that we should reach no conclusion, even a tentative one, until after the Trieste business is settled, and until you, Radford, the Secretary of State and I can have a discussion of the matter. At such a meeting I may even want to have General Gruenther present.

D.E.

[1]The source text indicates that a copy was sent to the Secretary of State. A penciled notation by O'Connor also indicates that the Secretary saw this memorandum and that copies were sent to EUR, G, and U.

No. 235

750G.00/8–1054

Memorandum by V. Lansing Collins of the Office of Western European Affairs to the Deputy Director of the Office (Tyler)

SECRET [WASHINGTON,] August 10, 1954.

Subject: Trieste.

Mrs. Luce has informed me that in her meeting with General Smith today she advanced the idea that sooner or later the United States might have to drop its role of honest broker in the Trieste matter and suggest to the Italians and Yugoslavs a specific settlement. She said that this would involve a *démarche* to each country saying in effect "this is it", and pointing out the favorable aspects of our suggested settlement. She said there would also have to be a certain time limit on acceptance, with the statement to the Yugoslavs that otherwise we would implement the October 8 declaration,[1] and a statement to the Italians that not only would we implement the October 8 declaration but we would also come out with a strong statement that this settled the Trieste matter for once and for all and forever. Mrs. Luce also pointed out to General Smith

[1]The words "implement the October 8 declaration" were underlined and the words "but would we?" were written in the margin, presumably by Tyler.

the undesirability of the U.S. pressing the Yugoslav solution upon the Italians although she said she admits that this can be done but fears the consequences in Italy.

General Smith reportedly said that this idea was worth considering and promised to take it up with the Secretary.[2]

[2]Written in the margin at the bottom of the source text are three handwritten notes. The first, by Tyler, reads: "L.C. [Lansing Collins] Will you follow this closely, and let me know if you hear that Gen. Smith did do so, and what the Sec's reaction is? Did Mrs. Luce suggest a date for the change of role? WRT". The second note, by Collins, reads: "I have reported to Mr. Tyler. VLC". The third note, also by Collins, reads: "Mrs. Luce spoke to Messrs Merchant, Smith, Dulles and Pres. Eisenhower about this. All generally in favor. VLC".

No. 236

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 210th Meeting of the National Security Council, Washington, August 12, 1954[1]

TOP SECRET EYES ONLY

Present at this meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; and the Director, Office of Defense Mobilization. Also present were the Acting Secretary of the Treasury; the Secretary of Commerce (for Item 1); the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (for Item 4); the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force (for Items 5 and 6); General Twining for the Chairman, Joint Chiefs of Staff, the Chief of Staff, U.S. Army, Vice Admiral Gardner for the Chief of Naval Operations, and General Pate for the Commandant, U.S. Marine Corps (for Items 5 and 6); Robert R. Bowie, Department of State (for Items 1, 2 and 3); Marshall Smith, Department of Commerce (for Item 1); Walter S. DeLany, Foreign Operations Administration (for Item 1); the Director of Central Intelligence; the Assistant to the President; Robert Cutler, Special Assistant to the President; the Executive Secretary, NSC; and the Coordinator, NSC Planning Board Assistants.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of matters unrelated to Trieste.]

[1]Prepared by Gleason on Aug. 13.

5. Redeployment of United States Forces in Trieste (Memo for NSC from Executive Secretary, same subject, dated August 4, 1954[2])

Mr. Cutler called attention to the reference memorandum of August 4, which contained (1) the JCS recommendation that U.S. forces in Trieste be redeployed to the U.S. Zone of Austria in the event of a political settlement of the Trieste issue, and (2) the recommendation of the Secretary of Defense that U.S. forces in Trieste be redeployed to the continental U.S. at such time as it is practicable for them to be withdrawn from Trieste. Secretary Wilson said the reasons for his recommendations were fully set forth in the August 4 memorandum.

The President said he simply would not decide now what to do with U.S. forces in Trieste in the event of a political settlement of the Trieste issue. We should wait to see what kind of a political settlement is reached, if any, and also decide whether Italian forces will be able to provide a NATO reserve in the north. Meanwhile, we should drag our feet. The President added that the political value of these forces was out of all proportion to their monetary cost and military value.

Secretary Wilson then called attention to present plans calling for the temporary redeployment of U.S. forces to Leghorn, Italy, in the event it should become necessary to move them prior to reaching a final decision. The President thought this was a good plan.

Secretary Dulles remarked that a Trieste settlement could not be taken for granted. Both the Italians and the Yugoslavs were finding it advantageous to keep the Trieste issue alive, even though the differences between them appeared infinitesimal. Secretary Wilson suggested that we might hasten a settlement by letting it be rumored that we wanted to keep our troops in Trieste.

The National Security Council:

(a) Discussed the subject on the basis of the memorandum from the Secretary of Defense transmitted by the reference memorandum.

(b) Noted that the President did not wish to make a final decision on the redeployment of U.S. forces in Trieste at this time pending more definite indication as to the final form of any Trieste settlement, but agreed that in the event of such a settlement these forces should be temporarily redeployed to Leghorn, Italy.

Note: The action in (b) above, as approved by the President, subsequently transmitted to the Secretary of Defense.

[Here follows discussion of matters unrelated to Trieste.]

S. EVERETT GLEASON

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[2]See footnote 1, Document 232.

No. 237

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum by the United States Commander in Chief, Europe (Gruenther) to the President

TOP SECRET [PARIS,] August 13, 1954.

You have asked my comments on the advisability of stationing the U.S. Trieste Forces temporarily in the Leghorn area.[1]

You are aware of the fact that we are most eager to have these forces to cover the gap which now exists in the Villach area. To fulfill that mission they should be located so they can move quickly on very short notice. Leghorn would offer many complications from that point of view. From operational considerations the U.S. Zone of Austria would be a much preferential location.

Now for the political aspects of the Leghorn solution. You know that the U.S. has been having considerable trouble in making satisfactory arrangements with the Italian Government for the stationing of U.S. Air Units in Italy, and for the procurement of suitable facilities which will probably be required in time of emergency. To move an additional force of 3,700 combat troops into the Leghorn area would create a complication which might very well meet with serious objection on part of the Italian Government. Furthermore, the training facilities there are almost non-existent, and the same situation exists with respect to housing.

I agree with you that the Southern front will be strengthened when we reach a solution of the Trieste problem. This should improve the situation in Southern Austria. Personally, I feel very strongly that as a long-term proposition, it is completely unsound to expect the U.S. to furnish forces for the defense of the Villach corner. But present facts are that—at least for the time being—unless the U.S. does make forces available for this mission, the area will be undefended. The Italians simply do not have the capability at this time. Even if they could handle the problem militarily, it would take some time to have them accepted by the Austrians. An additional factor is that an increase of our forces in Austria would compensate for the British and French withdrawals, and should strengthen the Austrian belief that the West does not intend to let their country go by default in an emergency.

I realize that there are some officials in Washington who feel that the Trieste forces should be returned to the U.S. It is not clear

[1]No record has been found at the Eisenhower Library or in Department of State files of a communication from Eisenhower to Gruenther asking Gruenther's views on this matter.

to me why the Leghorn solution would be palatable to that group, unless it is that it appears to be a temporary solution. But surely some time limitation can be imposed in connection with the decision to move the troops to Austria—if that is really a factor.

I, therefore, feel that it would be highly preferable, from almost every consideration, to place the Trieste forces in the U.S. Zone of Austria, rather than in the Leghorn area.

General Mancinelli, the new Italian Chief of Staff who has succeeded General Marras, is coming to see me today about the reorganization of the Italian Armed Forces. He has a plan to present which unfortunately will require approximately 3 years to implement. One of the points that I am going to stress with him is that the Italian forces in that area must develop a capability to move forward to seize critically important terrain in Austria.

No. 238

750G.00/8-1354

The Chief United States Negotiator in London (Thompson) to the Assistant Secretary of State for European Affairs (Merchant)

TOP SECRET LONDON, August 13, 1954.

DEAR LIVIE: Jimmy Riddleberger's telegram[1] reporting his conversation with Popovic on August 12th was a great disappointment. Apparently Jimmy accepted his negative attitude on territory without any question or discussion. This will most certainly have given the Yugoslavs the idea that we do not take the matter very seriously. I am afraid, therefore, that any further pressure on the Yugoslavs will have to be exerted in Washington and not in Belgrade.

Sincerely yours,

TOMMY

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[1]In telegram 122 from Belgrade, Aug. 12, Riddleberger reported the substance of a conversation he had the previous evening with Popović, in which Riddleberger had tried again to ascertain whether any possibility existed of Yugoslav concessions on territory. Riddleberger stated that Popović, whose attitude was unchanged on the question, had said that Yugoslavia had with great difficulty accepted the U.S.-U.K. proposal on territory and that Yugoslavia could go no further. Popović also expressed his hope that the United States and the United Kingdom would make the most strenuous effort with the Italian Government to have this point accepted. Riddleberger also reported that Tito had told the Belgian Minister on Aug. 11 that Yugoslavia could not be expected to make more concessions on territory. (750G.00/8-1254)

No. 239

740.00/8-1354

Robert G. Hooker of the Bureau of European Affairs to the Chief United States Negotiator in London (Thompson)

TOP SECRET WASHINGTON, August 13, 1954.
PERSONAL INFORMAL

DEAR TOMMY: I enclose for your information a copy of a rather turgid memorandum I have just written. I have not yet discussed it with any one and have no idea to what extent, if at all, any one agrees with it. It was written before receipt of Belgrade's 122[1] and before any report from you on the instructions Velebit was to have received yesterday.

I have at long last gotten my security clearance and hope it will mean getting into the field soon. At this late stage in the Trieste negotiations I refrain from making the suggestion I might have made earlier, that Leonard[2] and I switch places. I have a feeling that at this point the continuity should be maintained and that he will be able to serve you better than I could.

You have been having a hell of a time, and I am sorry for you. All the best.[3]

Sincerely yours,

BOB

[Enclosure]

Memorandum by Robert G. Hooker of the Bureau of European Affairs to the Assistant Secretary of State for European Affairs (Merchant)[4]

TOP SECRET [WASHINGTON,] August 13, 1954.

Subject: Possible Necessity of Forcing Settlement of Trieste Question on Yugoslavia and Italy.

The territorial issue remains deadlocked with the Italians insisting on a minor (in terms of area only) rectification in their favor at

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[1]See footnote 1, *supra*.

[2]Leonard Unger.

[3]Hooker added the following handwritten postscript: "Bedell and the Secretary—especially Bedell—have been for cracking down on the Italians. My memo is intended to help Livie [Livingston Merchant] and Jamie [James Bonbright] (Wally [Walworth Barbour] is on vacation through August) keep them in line."

[4]A notation on the source text indicates that copies of this memorandum were also sent to Tyler and Crawford.

the Western (Adriatic) end of the line and the Yugoslavs so far unresponsive to our *démarche* of July 29. The issue of reparations turns on the territorial question and can be settled if the Yugoslavs meet the Italian territorial request. We do not know whether the Yugoslavs will accept the maximum of $10 million which the Italians will offer if they cannot get the territorial concession they want.

In the meantime, the Yugoslavs have stiffened their position on minorities and the Italians under Thompson's pressure have "gone far" to meet the Yugoslav position. But Thompson reports that at the meeting on August 9, when the Italian redraft of the minorities statute was presented to the Yugoslavs, while it was not rejected, "there were many indications that Velebit had been instructed to take a stiffer position on outstanding issues". The Italian Minister in Belgrade reports a "rather aggressive attitude" on the part of the Yugoslavs. Thompson in a recent letter expresses the opinion that the Italians have so far "behaved better" than the Yugoslavs.

Thus we are faced with the possibility that while the gap remains unclosed between the Italians and the Yugoslavs on territory and reparations, the gap on the various other issues may prove increasingly difficult to close and as to some of them may even become wider.

This raises the question whether at some point, in order to prevent the possibility of a settlement slipping away entirely, the US–UK may be forced to determine what its terms should be, and, if they can, force the Yugoslavs and Italians to accept it. But we should understand clearly what is involved in trying to force a settlement and should be prepared to face the consequences.

It is logical to begin by asking what conclusions should be drawn from the failure of our attempt to impose a solution on October 8, 1953. Tito's violent rejection of a solution which he had previously (albeit over a year before) told Eden he could accept, points to one major conclusion: He cannot accept a settlement which is publicly imposed upon him, at least when, by its nature, it is unpopular and when he has had no opportunity to prepare opinion among the public and among his supporters.

Since the Italians accepted October 8, the only conclusion as to them that can be drawn is that they would again if the conditions of that time were reproduced. What the Scelba Government could be forced to accept today is hard to judge. We need not take literally the Italian statement that any settlement must be an improvement on October 8, since their counter-proposals, including the rectification in their favor of the May 31 line, add up to something less favorable than October 8, both as to territory and because it involves the assumption of obligations, with at best the appearance

of reciprocity as to some of them, which were not involved in October 8 at all. The real test would be whether all the elements in the Scelba coalition would take the view attributed to Scelba and Piccioni as an unconfirmed hypothesis in Rome's 162 of July 13 that they "have made up their minds to acceptance if they cannot obtain any Yugoslav accommodation on the Italian counter-proposals since they may have been impressed by the Foreign Office briefings that Italy will never have a better opportunity to solve the problem in the foreseeable future".

We must also take into consideration the rather plausible suggestion that each side may expect us at some point to insist on the acceptance of a solution to which it has not yet agreed. This might well minimize the responsibility of each government in agreeing to a solution that cannot be popular, the more so since neither need know the extent of any pressure put on the other. Since the major issue is territorial and there is no middle ground between the two positions (or rather the Italian position really represents a middle ground), it would seem most desirable that no matter what the nature of the solution we seek to impose, we make every effort to hide from the side making the lesser concessions the extent of our pressure on the other side.

But how far can we go in "forcing" a solution? It is axiomatic that we should make no threats that we are not prepared to carry out. Threats to withdraw economic or military aid would seem to be ones we could not carry out without adding further damage to our security interests (the real basis of all our foreign aid) beyond the harm resulting from the failure to reach a settlement. Such threats therefore would be ones either Italy or Yugoslavia might feel safe in defying. On the whole, threats are not congenial to us and do not comport well with the role of democratic leadership which the President recently described with emphasis on the element of partnership. They should be avoided if at all possible. Our first *démarche* should therefore omit any threat. We should make representations at the highest level, in the strongest terms of insistences, without any reference to any action we might take if our requirements are not met.

If our *démarche* is to the Yugoslavs and they reject it, and we then ask them in a second *démarche* to reconsider, at this stage, having exhausted the possibilities of negotiation without threats, we could say that if they continue to refuse we will implement October 8 regardless of the consequences. It is possible Tito would yield, since the proposed solution even on the basis of the Italian counter-proposals is better than October 8. Put at worst this gambit could involve us in war, with Tito in immediate possession of Trieste. We would then have to choose between accepting a *fait ac-*

compli and prosecuting the war with the certainty that Tito's quarrel with the Kremlin would be settled, and the almost intolerable risk of general war.

A second alternative would be to threaten the complete stoppage of military and economic aid. Tito might well then move closer to the Kremlin, and the Balkan Pact could lose much of its value.

Alternatively, we could ask Tito to reconsider and either threaten to make or actually put into effect immediately such partial reductions in military and economic aid as we consider possible without undue damage to our own security interests or driving Tito out of the alliance. At worst we would still be in Trieste and our relations with Tito (as well as the Italians) would have deteriorated greatly, but we would not be at war.

Fourthly, we could accept the Yugoslav refusal and try to force the Italians also to accept the Yugoslav position, specifically, the May 31 line.

If it is from the Italians that we initially demand the major concession (i.e. acceptance of the May 31 line), the chances of our having to make a second *démarche* involving threats are probably less. But if they should refuse our request the chances of their taking a public position which might make it impossible for any Italian government to yield to threats are much greater. Moreover, they would probably demand, and might demand publicly, the implementation of October 8. Tito would almost certainly be prepared to go to any lengths to prevent this. If we refused the Italian demand the negotiations would have irrevocably failed, and our relations with the Italians would be as bad as possible short of war and not much better with the Yugoslavs.

Thompson says the Italians "are more interested now (than the Yugoslavs) in obtaining a settlement", but in his view it is "to the Yugoslavs' best interest to make the small concession we have asked them to make. If we get it we can, I think, get a good agreement; if not, it will be anything but a good agreement and one likely to lead to bad relations between the two countries."

The logic of the foregoing points to making another effort to get Tito to yield on the territorial issue, and without threatening him to make plain that if he turns us down, while we may still get a settlement, it will not in our opinion contribute to the strength of the area as it should, that the fault will be his, and that while we have no intention of cutting off military or economic aid, he must recognize that he will cease in our eyes to be in the "deserving" category. We should add that if we do not get a settlement we will consider that the major responsibility is his.

If this *démarche* fails, we should then try to get the Italians to make the necessary concessions to secure a settlement. Our *dé-*

marche to the Italians should include an indication that we appreciate that the major sacrifice will have been theirs and that we will in all legitimate ways take account of this fact in our future policy, subject to our prime objective of seeking to make the settlement a success and to bring an end to the bad relations between Italy and Yugoslavia.

Before making any decision we must of course get Ambassador Thompson's views, and consult with the British.

No. 240

750G.00/8–1654

The Ambassador in Yugoslavia (Riddleberger) to the Chief United States Negotiator in London (Thompson)[1]

TOP SECRET
OFFICIAL INFORMAL

BELGRADE, August 16, 1954.

DEAR TOMMY: Returning to Belgrade from Bled, where we put the Balkan Alliance safely to bed,[2] I found your letter of August 3[3] awaiting me. I hope that the conclusion of the Alliance will not make our joint endeavors on Trieste more difficult than they have been. In any case, the Balkan Alliance was bound to come and although I think that in May we deferred it with good reason in hopes of getting a Trieste settlement, it was wise that the Alliance was not again postponed. Its signing seems to have evoked considerable anguish in the Italian press, but that may be only a passing phenomena.

I have read very carefully your letter of August 3, and I agree with you that if we could have sat down together some of the misunderstanding would have been eliminated. It is indeed unfortunate that it has not been possible to arrange for more personal contact between Belgrade and London. I have been reluctant, however, to propose sending Woodie[4] in face of the refusal which we encountered when this was suggested last winter. In view of subsequent developments, this now seems an excess of caution, particularly as I have learned that Rome dispatched an officer to confer with you before commencing your negotiations with Brosio. I still think that a trip by Woodie would have been useful as you and he could have exchanged views on the best method of tackling the Yugoslavs on

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[1]The source text indicates that a copy of the letter was also sent to Hooker.

[2]For documentation on the signing of the Balkan Alliance by Greece, Turkey, and Yugoslavia on Aug. 9, see Documents 306 ff.

[3]Document 231.

[4]Woodruff Wallner.

the second round with them. When I recall that Luce has betaken herself home twice since October 8, your long experience in Italian affairs, and the impossibility of telephoning, I am all the more ready to agree that a conversation would have been helpful. I am still mystified why we made the approach to the Yugoslavs in the manner we did, but I am the first to admit that I cannot judge this strategy in the overall sense from where I sit on the Middle Danube. We have always recognized that it might be necessary to go back to the Yugoslavs, but I should have thought this approach would have been prepared with all the skill and finesse of which we are capable.

Turning to the territorial aspects, I think we must remember the tremendous efforts which were made, particularly in London and Belgrade, to get the Yugoslavs to agree to a line which was essentially what we had proposed. Perhaps this is our real disagreement, but if you will review the earlier telegrams you will see how close it is. It is certainly not a Yugoslav line. I certainly had the impression that having gotten Yugoslav agreement we would go all out to obtain Italian acquiescence. I note your comment that we had not exerted maximum pressure at the time my message was written. I am happy to hear that we are now exerting pressure on the Italians. Where is this being applied? Perhaps more is going on in Rome than I realize and today Woodie has gone there where he will no doubt obtain additional information and background. I quite agree that we want an agreement which will improve Italian-Yugoslav relations, but when I recall how we used the whip on Koca Popovic to get the proposed territorial arrangement, I fear that if the problem can only be solved by additional Yugoslav territorial concessions, then the settlement will be an unhappy one in any event.

I some times wonder if there is a real understanding of how small these territorial changes are. When in Trieste recently I got Randy[5] to drive me around the area in question and must say that the Italians are making a great holler over very little. Lazzaretto might be called "the old swimming hole" but could hardly be characterized in any higher category. The Triestinos see either Zone B or Yugoslavia proper every time they have a clear view in a southeastern direction. Therefore, I think it is fair to say that on these little strips both sides are equally unreasonable.

I did not mean to imply in my telegrams you were personally being pro-Italian, and I regret that you have such strong resentment. The point I was trying to make was that we should apply pressure to the Italians on territory comparable to that which we

[5]H. Randolph Higgs.

put on the Yugoslavs. I gather from your own letter that you agree this was not done, at least at the time I wrote my message. Therefore, it seems to me that there is no cause for resentment. This is basically an argument over tactics in which I, like you, am interested in finding a settlement that will be accepted. Your recommendations on tactics have been adopted, and we shall support them fully with the Yugoslavs. I hope you are right in your analysis in which case everything will come out all right. But it would be a great pity to miss a settlement through failure to apply pressure where pressure can be justifiably brought to bear.

I must tell you frankly that I do not share your view that we were on the verge of settlement given the outstanding territorial difficulties. We tried several times to direct your and the Department's attention to this point. But again I recognize this as a matter of judgment, and I cannot be cognizant of all aspects affecting Italy. My experience with that country is absolutely nil except to report upon its pro-Nazi policy during the Hitler days. I watched the Italian gyrations from Berlin, and they were highly educational. Perhaps this experience has given me a certain skepticism on Italian reliability, but I cannot agree with you that Italian behavior is any better than Yugoslav. I think they are both equally deplorable.

I fully agree with you that we must worry about the possibility of an Italian public explosion. My concern on this is, however, somewhat diminished as I read the press telegrams from Rome which give me the impression that everything is being discussed in public anyhow.

. . . . . .

I am sorry that the argument took place when you were so discouraged over the negotiations and the effect of the delays on your personal life. I sympathize with anyone who is ticked off for this negotiation, which I have always thought would be a lengthy one. It is not as bad as the German Debt Conference on which I worked steadily for over 13 months, but I confess it can be just as discouraging.

It is a shame about your home leave, and I hope you can still manage to get it this year. Perhaps if we could devise a good compromise plan and put on a heavy drive, both in Belgrade and Rome, we might push it over. This, in my opinion, can only be settled in Washington where the decisions on how to bring pressure on the Yugoslavs must ultimately be made.

With best regards,

As ever, JIMMIE

No. 241

110.11 DU/8-2154 Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, August 21, 1954—2:56 p. m.

173. Eyes only Riddleberger from Secretary. I have been turning over in my mind possibility some time in next few months of spending one or two days in Belgrade which is one of few European capitals outside Iron Curtain I have not visited since assuming office. Given sensitivity of Yugoslav leaders in matters involving their prestige and their country's position in Western world since break with Stalin, it has seemed to me that despite the personal inconvenience and criticism which it might arouse in certain circles in this country, such a visit might produce results of long-standing benefit. On the assumption that Trieste negotiations are successfully concluded in meantime, my present thought is that visit to Belgrade and perhaps one or two other capitals might conveniently be arranged for some time in December when I would normally plan to go to Europe for meeting of North Atlantic Council. Rome could be included in itinerary if that is considered essential.

My purpose in raising matter with you at this time is to inquire whether you think any advantage could be gained in connection with Trieste negotiations themselves—and more particularly in influencing Yugoslavs to make further territorial concession—by sounding out Yugoslav leaders now.

I recognize that approach would have to be handled with great care. On one hand it would have to be clear that visit would be impossible at least in near future in absence of Trieste settlement. On other hand we should avoid having Yugoslavs draw conclusion, which they would resent, that proposal being made for purpose of exerting indirect pressure on negotiations. Furthermore I think it essential that approach not be in such terms as would enable Yugoslavs to publicize projected visit before Trieste settlement since this would cause great resentment in Italy.

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[1] Drafted by Bonbright and cleared with Hooker, Crawford, and Tyler. Also sent to London eyes only for Thompson, and repeated for information to Rome eyes only for Durbrow. A handwritten note by Merchant on the source text reads: "Approved textually by the Secy. LTM"

I would appreciate your views on above suggestion and if you think well of it on best means of carrying it out.

DULLES

No. 242

110.11 DU/8-2354: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, August 23, 1954—4 p.m.

145. Eyes only for Secretary. Deptel 173.[2] Your visit here will mark in eyes of Yugoslav Government leadership and in those of Yugoslav public, Communist and non-Communist, as well as those of outside world on both sides of curtain, important step in Yugoslav association with western world comparable only to Tito's visit to London. There is no doubt in my mind that this visit will produce results of long- term benefit. At this distance the timing seems about right since by December London negotiations will, I assume, either have resulted in Trieste settlement or have been broken off.

I believe I can employ most effectively here in Belgrade the prospect of your visit to influence Yugoslav Government favorably in the last stages of the Trieste negotiations. On other hand visit could not be effectively used as bargaining counter in these negotiations or otherwise be directly tied to any aspect of them as, if I state flatly that you would not come in the absence of a Trieste settlement, this might lead to resentful conclusion that suggestion of visit was only for purpose of indirect pressure. I feel, moreover, that I should be authorized to handle it so as not to foreclose the possibility of your coming even if there were no settlement by December since positions are so close that it will probably be difficult to establish that the responsibility for failure of London negotiations could be laid at door of either Italy or Yugoslavia. In other words, I would like to be able to say that you would like to visit Belgrade in December if your plans and other circumstances permit. The implication would be clear, our hands would not be tied and Yugoslavs could not publicize a visit that had not been agreed upon.

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[1] Repeated for information to London eyes only for Thompson and to Rome eyes only for Durbrow.

[2] *Supra*.

Too early for me to comment on effect here of what other capitals, including Rome, you visited along the way.

RIDDLEBERGER

No. 243

740G.00/8–2354: Telegram

The Chargé in the United Kingdom (Penfield) to the Department of State[1]

TOP SECRET LONDON, August 23, 1954—11 a.m.

911. Eyes only Secretary. From Thompson. Do not believe any assistance in present negotiations of action suggested Deptel 1038[2] would at this state be commensurate with risks involved. A leak might have dangerous effect on Italians. Yugos may insist we force Italian concessions on remaining issues in which case contrary gesture would appear indicated. Regardless of terms of agreement, implementation will give rise to Italo-Yugo difficulties and tension in period immediately following, involvement in which you may wish to avoid. Believe unwise even tentatively commit yourself to visit until post-agreement situation clarified.

If, nevertheless, action decided upon, believe method would be calculated indiscretion on part of Riddleberger or myself. I could tell Velebit I have been consulted but not authorized to inform him. Might be better, however, for such action be taken Belgrade in order not connect it directly with Trieste talks.

PENFIELD

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[1]Repeated for information to Belgrade eyes only for Riddleberger and Rome eyes only for Durbrow.

[2]Printed as telegram 173 to Belgrade, Document 241.

No. 244

110.11 DU/8-2554: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, August 25, 1954—3:56 p.m.

181. Limit distribution. Eyes only Riddleberger from Secretary. Deptel 173 Belgrade, London's 911, Belgrade's 145.[2]

Noting Riddleberger's belief he can effectively employ prospect visit by me to Belgrade to influence Yugoslav Government favorably in last stages Trieste negotiations and recognizing dangers mentioned by Thompson I would welcome your further views whether you believe risks can perhaps be sufficiently minimized by simultaneous approach Belgrade and Rome along following lines:

Ambassadors Riddleberger and Luce would concurrently and informally advise Yugoslav and Italian Foreign Ministers:

1) If next meeting NAC is held Paris in December as now contemplated it is my present intention attend;
2) If Yugoslav (Italian) Foreign Minister approves and if my plans and other circumstances permit I should like take advantage my presence Europe visit small number European capitals including Belgrade (Rome); and
3) In order avoid embarrassment to me and host Government event I am later compelled return directly from Paris I must ask this approach be held in strict confidence.

If asked both Ambassadors would disclaim knowledge of other capitals likely to be visited. It is my thought that if there is a leak either Belgrade or Rome it would probably be desirable for us immediately confirm publicly an informal approach had been made in both capitals. The phrase "if my plans and other circumstances permit" should make it possible for me back out in event Italo-Yugoslav tensions should make visit either or both capitals inadvisable.

I recognize however proposed changes in procedure not likely affect possibility that taking this action at this time may make Yugoslavs more rather than less difficult to deal with as Thompson fears. Consequently if any of you still has doubts regarding wisdom proceeding at this time I would be inclined drop matter and only raise question visit Belgrade after settlement reached.

DULLES

[1]Drafted by Bonbright and Hooker and cleared with Jones and Crawford in draft and with Dulles. Also sent to Rome eyes only for Luce, and to London eyes only for Thompson.

[2]Documents 241, *supra*, and 242, respectively.

No. 245

750G.00/8–2554: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET ROME, August 25, 1954—7 p.m.

764. I have just learned from Satterthwaite[2] that NSC decided on August 12 to deploy TRUST forces temporarily to Leghorn following anticipated Trieste settlement. This proposal has not been discussed with Embassy and we shall have to study it when have further information concerning deployment. Meanwhile you may wish to consider following points:

1. Leghorn can not currently accommodate these forces in present installation except under canvas, and even then only with considerable dislocation of services, unless they merely transit Leghorn in small units.
2. Italians have often proposed informally (see Embtel 1223 October 12, 1953[3]) that TRUST forces remain Trieste. Any indication they would be redeployed, even temporarily, on Italian soil, will again raise this question.
3. A force increment of such magnitude would require prior discussion with Italians, since if they are to stay for any length of time this large deployment might raise questions and possibly delay negotiations re facilities package.

LUCE

[1]Repeated for information to Paris for Satterthwaite and CINCEUR, to Vienna for CGUSFA, and to Trieste for Higgs.

[2]Luce stopped off briefly in Paris en route from Washington to Rome where she was to represent President Eisenhower at the funeral of former Prime Minister Alcide De Gasperi, who died Aug. 19.

[3]Not printed.

No. 246

750G.00/8–2554: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET ROME, August 25, 1954—8 p.m.

771. Eyes only Secretary. On balance while there might be some advantage re Trieste in suggestion that you let Yugoslavs know that you might visit their country later this year, I believe that possible disadvantages outweigh the advantages. If it should leak

[1]Repeated for information to Belgrade eyes only for Riddleberger and London eyes only for Thompson.

out that suggestion had been made we probably would be required to inform Italians that proposal was contingent upon a Trieste settlement and if by chance Trieste should not be settled you might have to abandon idea of trip, which probably would cause serious resentment in Belgrade. Therefore, while it would obviously be advantageous in US interests that you visit Belgrade, I recommend that no approach be made until after Trieste is settled one way or other when the matter can again be examined.

LUCE

No. 247

110.11 DU/8-2654: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, August 26, 1954—4 p.m.

152. Eyes only for Secretary. It seems to me that plan for your visit outlined Deptel 181[2] sufficiently minimizes risks which might arise from Italian resentment of visit to Belgrade without certainty that Rome would be included in your itinerary. While possibility of leak is always present, believe Yugoslav Government advantage would rest in keeping visit secret until formally confirmed.

I agree that if there is a leak in either Italy or Yugoslavia it would be desirable to confirm immediately and publicly that an informal approach has been made in Belgrade and Rome.

It also seems to me that following the conclusion of the Balkan Alliance a visit by you to both Belgrade and Rome subsequent to the NAC meeting in December could be presented as an entirely normal trip in view of the formal Yugoslav relationship to two NATO countries.

RIDDLEBERGER

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[1]Repeated for information to London eyes only for Thompson and to Rome eyes only for Luce.

[2]Document 244.

No. 248

750G.00/8–2654: Telegram

The Acting Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, August 27, 1954—8:41 p.m.

193. Limit distribution. Eyes only Riddleberger. While Department shares Thompson's doubts wisdom any approach re visit at this time (London's 992[2]) you are authorized, if 1) negotiations appear to be in final stage and 2) you consider raising possibility visit by Secretary likely to be decisive in securing settlement to follow procedure outlined Deptel 181.[3] If desirability taking this action should become apparent you should if there is time notify Durbrow in advance to enable him to act concurrently. Otherwise you should of course get word to him afterwards with all possible speed. Department wishes emphasize however you should not broach possible visit while negotiations pending unless you feel convinced negotiations at final stage and effect likely be decisively favorable.

SMITH

[1]Drafted by Hooker and cleared with Bonbright and Merchant and with Jones, Crawford, and Gilman (S/S) in draft. Repeated to Rome eyes only for Durbrow and to London eyes only for Thompson.

[2]In telegram 992, Aug. 26, Thompson said that, with the Trieste negotiations now coming to a head so quickly, he more than ever doubted the wisdom of any approach concerning a visit by Dulles, since there was a risk it might give rise to misunderstandings in both Rome and Belgrade. He added that it was possible that the final stage might develop in such a way that Riddleberger would consider a visit a decisive element. Thompson suggested that Riddleberger be given discretion should this situation arise. (750G.00/8–2654)

[3]Document 244.

No. 249

Luce files, lot 64 F 26, "Correspondence & Miscellaneous, 1954"

The Ambassador in Italy (Luce) to the President

SECRET EYES ONLY [NEW YORK,?] August 31, 1954.

DEAR MR. PRESIDENT: I have just returned from Italy where I attended as your representative, the funeral of Signor De Gasperi.[1]

No doubt you have already received word from Prime Minister Scelba expressing the thanks of the Government and of De Ga-

[1]Following the funeral of De Gasperi on Aug. 23, Luce had returned to the United States on Aug. 27.

speri's family.[2] All Italians took the mission you gave me as a singular mark of American understanding and friendship.

The day of the funeral was a day of double mourning in Italy. The somber news of Mendes-France's act of mayhem at Brussels foretold the demise of EDC.[3] Italy knew that the noble idea that De Gasperi had labored for so long—the integration of Europe—was being buried with him.

The outcome of the Brussels Conference forced Prime Minister Scelba and his cabinet to make their own "agonizing reappraisal."

Here it is, in the Prime Minister's own words to me:

"Except for our fruitless efforts to secure the return of the whole FTT, since the end of the war Italy's entire foreign policy has been European integration, and solidarity through NATO, with the Western defense system. Today an 'integrated Europe' is dead and the strength of NATO may be consequently greatly damaged.

"I will not speak of the months of labor we have lost in bringing EDC to where we would have ratified it by a safe margin of 80 votes. I will not speak of the impossibility now of carrying on the anti-Communist program we had planned to follow upon ratification. I must speak only of one thing: Today the Government's entire foreign policy is seriously discredited. Read this morning's headlines in UNITÀ (the CP paper): 'Pro-West Policies of Government Total Failure.' If we do not shortly have a substitute for EDC, or if we cannot soon say that a rearmed Germany will become a welcome and an effective NATO partner, the Government will have *no* foreign policy to put before the people. Our internal political situation will then deteriorate rapidly, for the Communists will be proven entirely right in their judgment of the European situation. We can then be certain of only one thing: Russian divisions will not invade Italian soil. They will not need to, because our own Communists will ring down the Iron Curtain on Italy in the next election."

I know you realize, Mr. President, that Italy today does not have the neutralist or nationalistic alternatives open to France, Great Britain, Holland, Belgium.

In France, for example, the nationalistic elements—the reactionary conservatives, industrialists and wartime generals—have political strength and a popular following; and the neutralist and socialist elements are anti-Communist. In Italy, the reactionaries, especially the "militarists" and "nationalists" are identified with Fascism or Monarchism. Mere political remnants, they are despised or

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[2]Not further identified.

[3]Reference is to French Prime Minister Mendès-France's statement at the Brussels Conference on Aug. 23 calling for revisions in the treaty establishing the European Defense Community and the defeat of EDC in the French National Assembly on Aug. 30.

disregarded. And Italy's Nenni-Socialists and neutralists are all pro-Communists.

Italian politics are polarized between the Democratic pro-Western parties and the pro-Cominform parties. Thus, Democratic Italy has only *one* alternative if its pro-West policies fail: to adopt pro-Russian policies.

But, as to the immediate consequences of all this in Italy:

If no substitute for EDC and the now acute "German question" can be found shortly, the Scelba Government will not last the winter. That is, *unless* we can produce a settlement of the Trieste question—and immediately.

On October 8, 1953, we agreed to turn Zone A over to the Italians without conditions. Owing to the position taken by Tito, that decision has now been delayed for months. Meanwhile lengthy and exhaustive negotiations to find a solution agreeable to both Tito and Italy have been steadily carried on in London. Nevertheless, the hope of getting back all of Zone A has greatly sustained the Government's foreign policy positions throughout this whole year. But time is running out: October 8th, which will mark the first anniversary of that decision is rolling around again. In the present climate of disillusionment—even despair—over the failure of the Government's foreign policies, if that date is reached before a Trieste solution agreeable to the Italian people has been found, it will be a signal for a *decisive* outburst—national as well as Communist—against the Government's pro-American positions.

We must then be prepared to see the collapse of the Scelba Government. And then with no Government and no foreign policy around which a new one can be formed in the interests of the West, if Italy does not revert to strong arm methods against the Communists the leadership of Italy may soon after fall to Nenni and Togliatti.

The return of Zone A has now become a matter of greatest urgency to the present Italian Government. I, therefore, Mr. President, recommend that you insist on a firm reply from the Yugoslavs at once, which will permit the Italians to dispose of the Trieste question one way or other, before October 8th.

With a favorable Trieste decision before October 8th, I believe we can "hold the fort" for the West until your new policies towards Europe have been formed.[4]

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[4]In a letter of Sept. 6, President Eisenhower, then in Denver, Colorado, replied to Luce as follows: "I have studied your secret letter of the 31st. The conclusions you present, as a result of your convictions and study, are not greatly different from my own instinctive feelings, based, however, on much flimsier foundations than are yours. I shall certainly do what I can. Thank you very much for writing me." (Luce files, lot 64 F 26, "Correspondence & Miscellaneous, 1954")

Cordially,

CLARE BOOTHE LUCE

P.S. Your American Legion speech[5] laid a good big stone in the foundation of a new Eisenhower policy. Cheers!

[5]For text, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1954*, p. 779.

No. 250

750G.00/8-3154: Telegram

The Chargé in the United Kingdom (Butterworth) to the Department of State[1]

TOP SECRET PRIORITY LONDON, August 31, 1954—6 p.m.

1079. Limit distribution. Eyes only Secretary. From Thompson. Velebit informed us today that his government could make no concession on territory. The suggestion we had made would be virtually identical with October 8 which Yugoslav public opinion had rejected. On the condition that the territorial line was accepted as is, that the replacement of the cultural houses was agreed including 500 million lire or an adequate alternative house and reparations of 30 million dollars, his government was prepared accept the special statute and the memo of understanding as now drafted as well as to agree to an Italian consulate in Capodistria.

We said we would put this position to the Italians and do our best to secure acceptance but made clear that we thought it unlikely that the Italians would agree to the reparations settlement desired by the Yugoslavs in view of their insistence on the territorial settlement. We also pressed Velebit hard on the 500 million lire to which he replied when he had suggested to his government as his own idea a figure of 150 million, they had replied their figure of 500 million was based on architect's estimate of their requirement and pointed out that this was about one-half of what it would cost to reconstruct today the Narodny Dom that was destroyed. Velebit again emphasized that from the psychological point of view the Yugoslavs were merely holding on to what they already administered with a very slight rectification whereas the Italians would be getting a very large and valuable territory. I did not conceal that while we would do our best, I personally thought this meant the breakdown of the negotiations.

[1]Repeated for information to Rome eyes only for Durbrow and to Belgrade eyes only for Riddleberger.

We will see Brosio tomorrow morning and urge acceptance. The Department may wish to consider whether advisable urge acceptance on Tarchiani or await inevitable Italian approach.

BUTTERWORTH

No. 251

750G.00/9–154: Telegram

The Chargé in the United Kingdom (Butterworth) to the Department of State[1]

TOP SECRET LONDON, September 1, 1954—1 p. m.

1093. Eyes only Secretary. Limit distribution. From Thompson. Harrison and I presented Yugoslav position to Brosio this morning. We stated that his suggestion had already in effect been presented to Yugos by General Smith[2] and we had subsequently discussed it with Velebit, not of course revealing Brosio's initiative (we were obliged handle matter this way as I had earlier told Brosio we had not taken the matter up with Velebit).

Brosio expressed himself calmly but forcefully and said he not only could not accept what he considered a Yugoslav ultimatum but he also could not recommend acceptance to his government. It was now a matter for his government to decide but he assumed we knew that the Foreign Minister was strongly opposed to acceptance and he implied that without his support his government would certainly reject the proposal. We urged that his government give the matter a most serious consideration and said that as negotiators we could only tell him that in our opinion the Yugoslav position could not be changed. I also pointed out that the Yugo position was that unless their position on territory, cultural houses, and reparations was met they would withdraw their agreement to other elements of the proposal such as the consulate at Capodistria. In the discussion, Brosio made clear that if Italy broke negotiations they would do so on the agreement as a whole and not just on the territorial settlement.

On balance, I believe there would be some advantage for the Acting Secretary to urge acceptance through Tarchiani before Italian Government has reached a decision.

BUTTERWORTH

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[1]Repeated for information to Rome, eyes only for Durbrow, and to Belgrade, eyes only for Riddleberger.

[2]No record of a meeting between Under Secretary Smith and Yugoslav representatives has been found in Department of State files.

No. 252

750G.00/9-154: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET WASHINGTON, September 1, 1954—7:06 p. m.

1245. Limit distribution. Urtel 1093.[2] Department prefers not call in Tarchiani in view his ineffectuality such matters but will of course urge Italian acceptance if he calls.

Meantime Durbrow is instructed make strongest representations at highest level urging Italian acceptance. He should point out that far from representing a Yugoslav ultimatum proposal represents concessions forced on Yugoslavs by four months tripartite negotiations followed by three additional months hard further negotiations and that if this result had been achieved by Italians in seven months of bipartite negotiations with Yugoslavs starting from bargaining position they took in February Italian Government would surely consider that negotiations had been eminently successful.

On assumption Italian rejection Thompson is instructed immediately seek British collaboration in preparation of compromise settlement which might be presented Italian-Yugoslav Governments by US-UK Governments.

SMITH

[1]Drafted by Hooker and cleared with Barbour, Jones, Thurston, and Merchant. Repeated for information to London, Rome, and Belgrade.
[2]*Supra.*

D. The Murphy Mission to Belgrade and Rome, September 1954

No. 253

Editorial Note

With an impasse having been reached in the London negotiations, a proposal originated in Washington that Deputy Under Secretary of State Robert Murphy should be sent to Belgrade in an effort to break the deadlock. The origin of this proposal is unclear from documentation in Department of State files and at the Eisenhower Library.

Assistant Secretary for European Affairs Livingston T. Merchant suggested, in a memorandum to Secretary Dulles, Document 136, that Murphy be sent on such a mission, but the suggestion was not acted upon at that time. In his memoirs, Murphy recalled that at a

dinner party at the home of *New York Times* columnist Arthur Krock, apparently at the beginning of September 1954, he had been seated next to Ambassador Luce. Murphy had told her of his amiable meetings with Tito during World War II. According to Murphy, Luce had exclaimed, "You are just the man we need to bring Tito around." Luce had then said that she had an appointment with President Eisenhower the following morning and she would suggest to him and to Secretary Dulles that Murphy be sent to Yugoslavia. Murphy recalled that he had received instructions that same day to confer with Tito. (*Diplomat Among Warriors*, page 422)

There is no record, however, in Eisenhower's appointment book for September 1954 of any meeting between the President and Ambassador Luce. Eisenhower had left Washington on August 30 for a trip to the Western United States and did not return until October 16. Moreover, Secretary Dulles left Washington August 31 to attend the Manila Conference and did not return until September 14.

The substance of a memorandum from Merchant to Acting Secretary Smith, September 2, *infra*, suggests that Luce, in light of Eisenhower's and Dulles' absence from Washington, may have called Merchant about her idea that Murphy should be sent to Belgrade.

No. 254

750G.00/9–254

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Acting Secretary of State[1]

TOP SECRET [WASHINGTON,] September 2, 1954.

Subject: Trieste

Discussion:

As you know, the Yugoslavs have rejected the proposed territorial compromise and insist on the May 31 line, together with $30 million reparations. Brosio has indicated that his Government will certainly reject this proposal.

Mrs. Luce also feels that the Italians cannot accept the May 31 line without change.

In anticipation of a probable rejection, we have wired Thompson instructing him immediately to coordinate with the British in preparing a compromise proposal to be put up by the US–UK.[2]

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[1]Drafted by Hooker. The source text bears the following handwritten notation: "Gen Smith approved 9/2. LTM."

[2]Document 252.

We have said nothing to Thompson about the manner of presentation of such a proposal. After discussion with Mrs. Luce, I suggest that we should plan for Mr. Murphy to go to Belgrade and Rome to present the US–UK proposals to Tito and Scelba, if British consent can be obtained to his acting for our two Governments. The war-time contacts he had with Tito should be particularly helpful.

It should not be difficult to devise suitable cover for his trip, such as a tour of consultation and soundings in the wake of the EDC rejection. His trip to Yugoslavia from one of the EDC capitals could be explained as intended to cover various matters under discussion between the US and Yugoslav Governments.

Mrs. Luce will hold herself ready on a twenty-four hour basis to accompany Mr. Murphy to Rome.[3]

Recommendation:

It is recommended that you approve Mr. Murphy's going to Rome and Belgrade for the above purposes (and possibly to other capitals in the interest of cover on his way there or back), if the Italians reject the present Yugoslav proposals and if the British agree to a US–UK compromise to be presented by him.

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[3]In a memorandum to Merchant, dated Sept. 3, William E. Knight wrote that he called Ambassador Luce the previous evening as Merchant had suggested and told her of the decision regarding Murphy's visit to Belgrade and Rome. Luce suggested to Knight that it might be worthwhile for her to travel back to Rome with Murphy and also that in approaching the Yugoslavs, Murphy should plan a two-fold strategy: (1) he should first try to obtain modification of the territorial line in the direction desired by the Italians, and (2) only if this failed, he should present the US–UK solution, which would then also be presented to the Italians. Luce also said that unless she heard from the Department of State, she would return to Rome on Sept. 8 as presently planned. A handwritten notation in the margin alongside mention of Luce's suggestion regarding a two-fold strategy for Murphy reads, "I disagree. LTM." (750G.00/9–354) Luce apparently was not contacted further concerning the possibility of Murphy accompanying her to Rome.

No. 255

740.00/9-354: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET WASHINGTON, September 3, 1954—10:02 a.m.

1292. Limit distribution. Re Deptel 1245 last para.[2] Department believes best method presentation any US-UK compromise proposal would be to send Deputy Under Secretary Murphy, ostensibly on tour of consultation and soundings in wake of EDC rejection, to Rome and Belgrade via London (and for cover to a few other European capitals). Trip to Belgrade could be explained on ground that no high Departmental official has been there, with appropriate reference ties between Balkan Pact and NATO. Since any reasonable compromise presumably acceptable to Italians, Belgrade aspect of trip would be most important and in this connection Murphy's wartime contacts with Tito might be particularly helpful.

While Department inclined believe this mission might be accomplished most effectively if Murphy went representing both US and UK Governments, we do not suggest that you should stress this when broaching it to British. Murphy would of course be accompanied by Ambassador or Chargé when seeing Tito and Scelba and it would be simple matter for British to make parallel representations. Obviously impossible hide purpose Murphy's visit if he were actually accompanied by British representative.

In suggesting compromise proposal Department has in mind something different from either July 29 [*21*][3] or Brosio proposal though we recognize difference cannot be great and anything we propose will be open to criticism as substantially same as some previous proposal. Subject your judgment Department also inclined believe main heads of other material issues should also be covered by compromise proposal in order if Murphy's mission succeeds avoid later disagreement on non-territorial issues.

Unless you perceive objection, you are instructed use your best efforts to secure British agreement to this procedure making clear of course we contemplate putting it into effect only in event of definitive Italian rejection of present Yugoslav position. Speedy

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[1]Drafted by Hooker and cleared in draft with Thurston and in final form with Merchant, Barbour, and Murphy, and repeated for information to Rome, Belgrade, and USPolAd Trieste.

[2]Document 252.

[3]For a description of the proposal made to the Yugoslav Government on July 21, see Document 229.

action likely be essential in event of Italian rejection to minimize possibilities public Italian break.

SMITH

No. 256

750G.00/9-354: Telegram

The Acting Secretary of State to the President, at Denver[1]

TOP SECRET
PRIORITY

WASHINGTON, September 3, 1954—3:56 p. m.

For the President from Bedell Smith. I may decide to send Bob Murphy to Rome and Belgrade in a final effort to conclude Trieste negotiations, which seem nearly stalemated. I believe it might be most helpful if he were authorized to deliver personal oral messages from you to Scelba and Tito. He might wish to invoke your personal authority in warning of future less sympathetic US attitude toward their requests for economic and military aid if they refuse concessions we seek. Chances seem greater that he would have to deliver such warning to Tito than to Scelba. Conversely, he may wish hold forth prospect of more encouraging US attitude and with Yugoslavs may wish indicate prospect closer military association. In no case would he make a commitment for any amount of economic or military aid unless specifically authorized.

I will communicate with you further about certain specific authorizations we have in mind.

I am of course asking Secretary's concurrence.[2]

[SMITH]

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[1]Drafted by Hooker and cleared with Merchant, Barbour, Murphy, and in draft with Jones and Thurston. A note on the source text indicates that the telegram was sent through White House facilities. Just prior to receiving this telegram, Eisenhower sent a letter by pouch to Smith, in which he wrote: "Still another subject in which I am tremendously interested is Trieste. We have been working on it a long time and my impression is that we have been letting Tito block us, perhaps needlessly. Over a period of many weeks, I have been told time and again that it looked as though we were just on the point of securing an agreement, after which there has been nothing but silence. I think that whatever we do must be done soon, if for no other reason than to provide some counterbalance for the EDC flop." (PPS files, lot 65 D 101, "Trieste")

[2]Eisenhower replied later in the day by telegram that he was anxious that everything be done to settle the Trieste situation and that he was in favor of Smith's suggestion. The President said that he would of course approve the verbal messages to Tito and Scelba, providing they had Dulles' concurrence. He further remarked: "I instinctively share your feeling the approach to Tito should take more the terms of a warning, while in Scelba's case the proper term might be mild, even to the point of being encouraging." (750G.00/9-454) Smith sought the concurrence of Secretary Dulles who was in Manila in Tedul 5, Sept. 3. (Conference files, lot 60 D 627, CF 350)

No. 257

110.13 MU/9-454 Telegram

The Secretary of State to the Department of State

TOP SECRET PRIORITY MANILA, September 4, 1954—7 p. m.

Dulte 2. Eyes only for Under Secretary from Secretary. Reference: Tedul 5.[1] See some difficulties in proposal regarding Murphy but concur subject to your consideration of following:

1. Can proposed "cover" be used without giving rise to serious complications regarding EDC and NATO?
2. Will British share in this effort? If they make joint representations with us at Rome and Belgrade through a special emissary, would that destroy "cover"? If they fail to do so, would inference be drawn that British are not seriously behind the proposed joint US-UK compromise proposal?
3. Would Murphy go first to Rome or to Belgrade, and if representations are to be made consecutively, would either accept without knowing other's position?
4. Assume Murphy would not go to Belgrade until Riddleberger had returned, as otherwise Riddleberger's position might be impaired.
5. With reference to being less sympathetic toward economic and military aid, I agree in principle but believe we should have at least in our own mind idea as to how in fact this would be implemented without hurting us as much as them. I particularly have in mind that with the unsettlement caused by French EDC action and German reaction,[2] we are not exactly leading from strength at this juncture.

No doubt these are all matters you have thought about. I agree that we should make some supreme effort to try to settle this matter before October as anniversary of our October 8 proposal could be an unhappy date.

DULLES

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[1] See footnote 2, *supra*.

[2] Reference is to the French Parliament's rejection of the Treaty establishing the European Defense Community on Aug. 30. For documentation on this subject, see vol. v, Part 1, pp. 871 ff.

No. 258

750G.00/9-554 Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

SECRET BELGRADE, September 5, 1954—1 p. m.

186. Limit distribution.

1. We are delighted with proposal to send Murphy to Belgrade and Rome. It seems to us that if Italians refuse present proposal point has been reached in negotiations where high-ranking American official should make what we hope will be final and successful effort on Trieste negotiations. Hope he can come prepared to talk on aid and wheat, as well as details of Trieste settlement. In addition to the desirability of having high- ranking American official come to Belgrade, I think Murphy is an excellent choice and his previous acquaintance with Tito will be helpful.

2. Deptel 1292 to London[2] crossed our telegram 185 to Department.[3] In our telegram 185 we had expressed our views, which are concurred in by British Ambassador here, re wisdom of returning once again to Yugoslavs on territory. If this absolutely necessary we repeat our firm conviction that it should be a balanced proposal. I reiterate this point because of sentence in Deptel 1292 stating that any reasonable compromise would presumably be acceptable to Italians. If by "reasonable compromise" is meant a balanced proposition, then there may be possibility of success in Belgrade.

3. If, however, intent is to find solution acceptable in first instance to Italians without regard to well-known Yugoslav positions and then attempt to obtain acquiescence in Belgrade, we have grave doubts this can be accomplished no matter how high the approach. This method was tried on May 7 and October 8, 1953.

4. It should not be forgotten that May 31 line is regarded by Yugoslavs not in any sense as a Yugoslav proposal but as an Anglo-American proposal which was accepted by them only under the greatest pressure. We believe the negotiating history fully confirms this opinion. We do not see how any territorial solution can ever be reached if we accept the Italian view that any line accepted by Yugoslavs is an ultimatum.

5. We assume however from paragraph 3 of Deptel 1292 that what Department has in mind will take account of foregoing. We

[1]Repeated for information to London, Rome, and Trieste.
[2]Document 255.
[3]Not printed. (750G.00/9-454)

also agree that main heads of other material issues should be covered by our proposal.

RIDDLEBERGER

No. 259

750G.00/9-654 Telegram

The Chargé in Italy (Durbrow) to the Department of State[1]

TOP SECRET PRIORITY ROME, September 6, 1954—4 p. m.

908. Limit distribution. We see great merit in proposed trip of Murphy (Deptels 742 and 767[2]) in effort to obtain Trieste settlement. However, plans for cover for trip as contained in Department's messages indicate that visits to Rome and Belgrade might not take place immediately and might even require several weeks. This time element raises problems here for following reasons:

a. Scelba will face a situation when Parliament reconvenes about September 22 which may determine fate of his government. With inability to obtain satisfactory Trieste settlement and with present status of EDC he must face in Chamber foreign policy debate attacks by right and left and with major doubts in his own Cabinet and party concerning advisability of accepting Trieste settlement as now proposed (Embtel 899, September 4[3]).

b. As October 8 approaches government will be under increasing pressure on Trieste question and will face risk of extremist disorders particularly those inspired by Communists who have proposed tough action as means of preventing partition FTT.

Scelba's problem, therefore, is urgent. If Cabinet does not issue formal rejection of proposed settlement prior to parliamentary debate Scelba may be forced by political necessities to make outspoken statement in Chamber rendering any future negotiations most difficult. While Piccioni stated "Italian Government would study proposals very carefully" his other statements and additional informal information indicates that majority of Cabinet Ministers is against proposals since they fear government would fall if present proposals accepted. Piccioni left definite impression that while he stated that Italian Government would seriously consider proposals he in effect made counter-proposal; i.e., US–UK make high level appeal to Yugoslavs in order obtain some territorial concession on coast so that Italian Government could accept agreement and would not have to turn down proposal formally. Therefore Italians

[1]Repeated for information to London, Trieste, and Belgrade.
[2]Printed as telegram 1292 to London, Document 255.
[3]Not printed. (750G.00/9-454)

apparently waiting to hear from us whether we have agreed to make high level approach. If we make this approach and it fails then they will have to decide to take present proposals or turn them down.

As immediate course of action prior to decision re Murphy visit recommend that serious consideration be given to suggestions fourth paragraph Embtel 899[4] which would give Scelba government a better position in facing complex internal political battle on this subject. Proposal worked out could then be given to Velebit and be accompanied by messages from Secretary or President and from Churchill to Tito urging acceptance. Until some move of this kind is tried do not believe we should tinker with such settled points as Bassovizza strip.

We believe steps proposed above and in Embtel 899 might help forestall formal Italian rejection and would certainly convince Scelba that we understand the complicated political problem he faces.

I hope some step can be taken before we receive formal rejection but, if anything is done, it must be done soon. I am sure Department realizes intimate connection between this question and whole range of Italian foreign policy as it will emerge in forthcoming crucial conferences on alternatives to EDC. Scelba even with his slim majority gives every indication his government will cooperate with us in working out EDC substitute. A minor concession by Yugoslavs might mark difference between Scelba's defeat or victory.

Thus as seen from here we have to decide whether at this delicate juncture in European affairs we should make a very strong, forthright appeal to Tito using aid threats if necessary in order to prevent a possibly serious political crisis in Italy.

DURBROW

[4]In the fourth paragraph of this telegram, Durbrow referred to a proposal which Piccioni had made the previous day for a swap whereby Italy would give up the Zone B rockpile in exchange for a satisfactory coastal rectification.

No. 260

750G.00/9-654 Telegram

The Chargé in the United Kingdom (Butterworth) to the Department of State[1]

TOP SECRET PRIORITY LONDON, September 6, 1954—6 p. m.

1177. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. Believe Murphy trip would be most useful if it could be made in next few days. Harrison will discuss it with Kirkpatrick tomorrow but following are tentative British views. They would, of course, make no objection to trip. They plan have Eden call in Velebit possibly Wednesday or Thursday[2] and ask him to carry oral message to Tito. As reported British are unwilling to put specific US, UK counter-proposal to both sides and think we should remain in the role of brokers even if negotiations break down. They think we should tell Yugoslavs we believe that Italians will not accept present proposal and ask them to consider very carefully whether they could not concede at least the small wedge formed by line running close to line 50 in return for rockpile. British think Velebit would carry considerable weight in direct appeal to Tito. Taviani will deliver written message from Scelba to Churchill on Wednesday but British assume we have had our answer from the Italians and that we cannot refuse to make one more high-level appeal.

BUTTERWORTH

[1]Repeated for information to Rome, Belgrade, and Trieste.
[2]Sept. 8 or 9.

No. 261

750G.00/9-754 Telegram

The Chargé in the United Kingdom (Butterworth) to the Department of State[1]

TOP SECRET PRIORITY LONDON, September 7, 1954—4 p. m.

1186. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. Harrison informs me that after discussing question with Kirkpatrick British do not intend request Velebit specifically return to Belgrade with message from Eden but hint at or sound him out on possibility. Because of other commitments ap-

[1]Repeated for information to Belgrade, Rome, and Trieste.

pears likely only possible time for Eden see Velebit is Friday morning.[2] If he agrees to Foreign Office plan he will inform Velebit that he believes negotiations have reached impasse and that Italians will not accept present proposal. He will state that we now have reason to believe that Italians would have accepted rockpile swap and ask Yugoslavs to consider carefully whether they could not in order save negotiations agree to this or something approaching it; have in mind the lesser concession Harrison and I had put forward paralleling line 50. British feel strongly must move quickly as situation could get out of hand any time by either Italian or Yugoslav public statements or press leaks (also convening of Italian Parliament and October 8 imminent). They believe Murphy trip would be helpful if it could be made not later than early next week. In our last discussion with Brosio he indicated some annoyance that Eden had not personally put his suggestion to Velebit and British believe it essential that they satisfy Italians by making high level approach particularly in view Italians informed by General Smith's approach to Mates. They understand Velebit relations with Popovich poor but that he had considerable influence on Tito.

BUTTERWORTH

[2]Sept. 10.

No. 262

Editorial Note

On September 6, the Embassy in Belgrade was informed by the Yugoslav Government that Soviet-Yugoslav trade talks would begin that week in Belgrade, with the Yugoslav Government primarily interested in obtaining Soviet wheat. This information was transmitted to the Department of State in telegram 188 from Belgrade, September 6. (661.6831/9-654)

No. 263

750G.00/9–554 Telegram

The Acting Secretary of State to the Embassy in Yugoslavia [1]

TOP SECRET
PRIORITY

WASHINGTON, September 9, 1954—7:10 p. m.

243. Limit distribution. Thompson's and Durbrow's reports of UK and Italian positions seem to make it clear that indicated line of approach to Yugoslavs excludes a US–UK Solomon's judgment which Department had in mind in last para Deptel 1245.[2]

We are now confronted with situation where Italians state that settlement acceptable in all its other aspects provided territorial concession can be obtained (Rome's 893[3]) and where they have made direct request for top-level approach to Yugos (Rome's 927[4]) which British support (London's 1186[5]). Department notes Riddleberger's recommendation that we should put a balanced proposal to Yugoslavs (Belgrade's 185 and 186[6]) and is most anxious that our approach to them shall not be open to accusation of being unfairly weighted against them. However Department would be most reluctant to reopen any non-territorial issues such as autonomy, on which provisional agreement has been reached, and hopes that considerations apart from Trieste settlement can be used to weight proposal sufficiently to be accepted by Yugos. Department also concerned that Bassovizza not be raised if at all possible since a Yugo "concession" that involved their getting Basoviza segment would reduce rockpile (London's 1185[7]) if not eliminate it and would almost certainly not bring us any closer to settlement.

SMITH

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[1]Drafted by Hooker and cleared in draft with Jones and Thurston and in final form with Barbour and Murphy. Repeated for information to London, Rome, and USPolAd Trieste.

[2]Document 252.

[3]Not printed.

[4]In telegram 927, Luce described a conversation she had with Casardi, during which he reiterated Italy's request for a top-level approach to Yugoslavia to obtain for Italy satisfactory rectification in the coastal area. (750G.00/9–754)

[5]Document 261.

[6]Telegram 185 is not printed; telegram 186, Sept. 5, is Document 258.

[7]In telegram 1185, Thompson reported that it seemed most unlikely that Italy would give up both Bassovizza and the rockpile for coastal concessions. He added that the possibility, of course, existed of other Italian concessions in Zone A adjoining the Yugoslav frontier. (750G.00/9–754)

No. 264

750G.00/9-1054

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Deputy Under Secretary of State (Murphy)[1]

TOP SECRET [WASHINGTON,] September 9, 1954.

Subject: Briefing paper suggesting points to be used in Belgrade conversations.

This paper sets forth briefly some suggestions regarding the line which might be followed in presenting the "crash compromise" on Trieste to the Yugoslavs in Belgrade.

In general, Mr. Murphy might wish to approach the matter of US-Yugoslav relations in the very broad terms of the mutual benefits to be gained from steady improvement of these relations. Within this framework he could, on the one hand, indicate our potential to exert pressure on Tito for a Trieste settlement by reviewing US military and economic assistance since 1948, as well as US political and psychological support on numerous occasions, and by bringing out at the same time the fact that thus far there have been no strings attached to our actions in Yugoslavia's behalf. On the other, he could, along the general lines suggested in Ambassador Riddleberger's letter to Mr. Merchant of June 23,[2] develop the possibilities for further progress in Yugoslav-Western relations and the advantages to Yugoslavia which would unfold once the Trieste block had been removed. This combination of the screw and the carrot might have a good chance of success whereas either one or the other used alone would probably fail to turn the trick.

With this thought in mind, the following paragraphs simply state, without elaboration, the principal arguments which Mr. Murphy would have at hand in his talks with Tito and company. Briefing papers covering each of the four points in some detail are being submitted separately.[3]

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[1]Drafted by Leverich and Thurston. The text is in the third, rather than the second, person because it was copied almost verbatim from a memorandum of Sept. 4 from Thurston to Merchant. (750G.00/0-454) The major change in the text dealt with Thurston's suggestion that there be a hint of a possible invitation to Tito to visit the United States. Merchant had written in the margin of Thurston's memorandum that the President was overbooked for the upcoming year and that the United States would go no further than a possible visit by Dulles to Belgrade in December. Presumably because of Merchant's views, section 4 of Thurston's memorandum was rewritten and the cautionary statement about a Tito visit added.

[2]Document 696.

[3]Copies of these four briefing papers are in file 750G.00/9-954.

1. *Economic Aid.* The impressive record of US economic aid since 1948 and the consistent willingness of the United States to come to Yugoslavia's assistance in times of emergency economic need. US agreement in principle (Mr. Merchant's memorandum to General Smith of September 3 [*2*][4]) to meet Yugoslav requirements for a three-year period for wheat, including its emergency needs this year, under ATDA (Agricultural Trade Development and Assistance Act). US readiness to enter into high-level talks with Yugoslav officials regarding their fundamental economic and financial problems as conveyed to Ambassador Mates by General Smith, August 26.[5]

2. *Military Aid and Cooperation.* The impressive record of past and continuing military aid. The progress made at the Tripartite-Yugoslav military talks (November 1952 and August 1953)[6] in the field of contingent war plans and logistics. The Trieste deterrent to continuation of such talks. US recognition of the added desirability and urgency of further military cooperation between Yugoslavia and the Western Powers as a result of the Balkan Military Alliance.

3. *Balkan Military Alliance.* Firm US support and public approbation (Secretary's press conference statement) of this valuable evidence of Yugoslav-Greek-Turkish collaboration in the over-all interests of Western defense which Mr. Murphy would warmly reaffirm. US desire to give further recognition and support to the Balkan Alliance as a contribution to peace and to do so through assisting in working out arrangements for the most effective relationship between NATO and the Alliance.

4. *High Level Exchange of Visits.* US agreement in principle with Yugoslav views, as recently expressed to Ambassador Riddleberger in Belgrade by the former Yugoslav Ambassador to the United States (Vladimir Popovich), as to the desirability of frequent exchanges of visits between high-ranking US and Yugoslav officials. Our attitude as demonstrated by General Smith's remarks to Ambassador Mates re visit to US by Vukmanovich-Tempo, and most recently by Mr. Murphy's presence in Belgrade. The possibility of a visit to Belgrade this year by the Secretary, implying that such a visit could take place only if there were a Trieste settlement. *Caution:* No intimation on our part of the possibility of an invitation to Tito to visit the United States.

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[4]Document 254.

[5]No record of this conversation has been found in Department of State files.

[6]For a report on the tripartite military talks which took place in Belgrade in November 1952, see Document 675. A summary report on the tripartite military talks held in Washington in August 1953 is in file 611.68/8–2453.

No. 265

740.5/9-1054. Telegram

The Acting Secretary of State to the President, at Denver

TOP SECRET WASHINGTON, September 10, 1954—10:13 a. m.

Unn. Following are brief memoranda on subjects your letter September 3.[1]

[Here follow sections regarding the European Defense Community and United States policy toward Latin America.]

Trieste. Our plans on Trieste were covered by our recent exchange of telegrams.[2] Bob Murphy will leave Saturday for Europe in an attempt to push through a final settlement. The basic outstanding issue is over a small piece of territory which both sides insist on getting. The second outstanding issue is the reparations one but we estimate that it will be agreed if a territorial settlement can be reached. The Yugoslavs are in great need of wheat, which we can provide under our law. Harold Stassen is arranging this. In addition the Yugoslavs are greatly worried by their financial problem of converting their short-term liabilities into long-term obligations. They would like our moral and political support in accomplishing this and have proposed sending their Finance Minister here to discuss the problem with us.[3] We have encouraged his coming. Both the wheat and the financial problem give us a certain leverage on the Yugoslavs, which we intend to employ in reaching a Trieste settlement.

SMITH

[1]Presumably a reference to the letter quoted in footnote 1, Document 256.

[2]Smith's unnumbered telegram dated Sept. 3, Document 256, and Eisenhower's reply of Sept. 3, summarized in footnote 2, *ibid.*

[3]Regarding the visit to Washington by Yugoslav Finance Minister Svetozar Vukmanović-Tempo in November 1954, see Documents 717 and 719.

No. 266

740.00/10-954

Memorandum by H. P. Leverich of the Office of Eastern European Affairs to the Deputy Under Secretary of State (Murphy)[1]

TOP SECRET [WASHINGTON,] September 10, 1954.

Subject: Wheat Assistance for Yugoslavia

[1]Drafted by Colbert.

Representatives of State Department, FOA, Defense Department, Department of Agriculture, Bureau of the Budget, and the Office of Defense Mobilization, met this afternoon in the office of Mr. Butz, Assistant Secretary of Agriculture, at Mr. Butz' request.

Mr. Leverich mentioned briefly the purpose of Mr. Murphy's forthcoming trip to Belgrade, and emphasized the great importance of this negotiation with the Yugoslavs on Trieste. He explained that General Smith and Mr. Murphy were anxious to have a firm understanding for wheat which the latter could use, and, as regards the further tonnage to that being provided under the mutual security funds, General Smith's preference was for Title II, as this would be most advantageous. It would involve an outright grant, and dinars deposited would go for uses similar to those in the mutual security program. Mr. Leverich mentioned that Mr. Murphy also needed the authority to agree in principle that we would assist the Yugoslavs in meeting their wheat needs over a three year period.

Mr. Butz said that, as to the source of the funds for wheat from ATDA, the USDA would prefer Title II, but that, in the face of FOA's refusal to use Title II, if USDA used Title I, they intended to avoid setting a bad precedent and would insist on the use of the dinars in such a way that, consistent with the Congressional intent, would provide for maximum reimbursement to the US. (It appeared that FOA's reason for preferring not to act under Title II was the thought that the Yugoslav people had the local currency in their possession, and, as the wheat would not be distributed as direct relief, the Yugoslav people ought to pay for the wheat. Otherwise the Yugoslav Government would get an outright handout of wheat and would also recover for itself the sales proceeds.) USDA proposed if Title I were used that the local currency be apportioned:

60% to be on loan to Yugoslavia for economic development;
25% for furnishing strategic materials to the US;
5% to be used by the US to meet its local costs in Yugoslavia;
10% for financing Yugoslav transport costs, to stimulate multilateral trade.

Department representatives expressed concern that this proposal would be unlikely to appeal readily to the Yugoslavs and might particularly prejudice the Trieste negotiation. The question of waiving the loan portion was therefore discussed. The Bureau of the Budget representative saw no preliminary objection to their granting a waiver, so long as they were assured as to the validity of the purposes for which the local currency would be used in Yugoslavia. The Budget representative also commented that the apparent view of FOA and USDA that Title I should be used for

crop shortage ameliorization, instead of Title II, had a rather peculiar implication. The ODM urged the retention of the strategic materials provision, and mentioned that if lead and zinc could be bought, it would absorb some of these metals which might otherwise crowd the US stockpile market under the new program. Department representatives pointed out that this use of local currency would be very unattractive to the Yugoslavs.

At the close of the meeting, the matter was left that Mr. Leverich would get Mr. Murphy's reaction to the proposal that, in addition to the 150,000 tons of wheat being furnished under MSA funds, 250,000 tons would be furnished under Title II,

50% of the local currency for strategic materials;
10% to cover Yugoslav transport costs;
40% to be held in Yugoslavia for economic development,

so that, in effect, 50% would be repaid as a loan and 50% would be retained in Yugoslavia. Mr. Butz stated that Mr. Murphy might, as he saw fit, bargain in the 40–60% range about the 50–50 split.

Mr. Leverich repeated a previous statement, in which he was joined by the other Department representatives, that Mr. Murphy would not be in a position to negotiate percentages and similar detail matters should the wheat be offered under Title I. What Mr. Murphy requires is support for a general proposition for the supply of wheat which would appeal to the Yugoslavs and serve as an inducement to them to accept the proposed Trieste settlement. Mr. Leverich promised to be in touch with FOA and Agriculture representatives on further developments.

Note

150,000 tons of wheat		$11,500,000
250,000 tons of wheat	about	$18,750,000
		$30,250,000

If the wheat is distributed free or for payment in kind of work relief projects, the likelihood is that we could get approval for depositing counterpart to be waived. To the extent that Yugoslavia's wheat requirements are to be used in this way, the tonnage estimated to be consumed under free distribution can probably be justified for Title II of the ATDA. Failing that, we could try to get a waiver of counterpart deposit under Title I.

No. 267

750G.00/9–1054: Airgram

The Acting Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET
PRIORITY

WASHINGTON, September 10, 1954—6:52 p. m.

253. Limit distribution. Murphy called in Mates today and informed him re his visit to Belgrade. He told Mates he was visiting several European capitals for general review of current problems and was looking forward particularly to his visit to Belgrade where he hoped have frank and cordial talk with President Tito re issues of mutual interest, including general economic questions and wheat. Murphy said he hoped he could be helpful in this regard. He added it might also be useful to discuss Trieste. He said he was going to London and Bonn first and would probably arrive Belgrade late September 14, the 15th therefore being first day on which he would be able to begin talks. He said if it were more convenient to Tito he would be glad to adjust his schedule to arrive either a bit earlier or later.

Mates also informed it was not intended to make any public announcement here now regarding visit. When Mates replied it would be impossible keep visit secret in Belgrade, Murphy agreed and said he had in mind avoiding publicity until his arrival in Belgrade, at which time appropriate announcement could be made.

Mates said he would inform his Governnment immediately re Murphy's desire to have talks with Tito and that, while he could only speak personally at this time he was sure visit would be welcomed. He thought on basis information available to him that time would be convenient and it was probable Tito would be in Belgrade. Murphy indicated his willingness go wherever Tito might be. Murphy said he was looking forward meeting Tito whom he had not seen since war days and seeing other old acquaintances. Mates indicated he was sure his Government would want to arrange some social events and asked how long Murphy might be staying, to which reply was he would stay as long as might be necessary to have profitable talks and mentioned three or four days as estimate. He mentioned possibility seeing Foreign Minister or Bebler, if former had already left for UN.

Mates asked how Murphy would arrive in Belgrade and was informed he would come on special plane, probably 4-motored, from Germany.

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[1]Drafted by Thurston and cleared with Murphy and Barbour. Repeated for information to London, Paris, Rome, HICOG Bonn, and USPolAd Trieste.

It was agreed since Murphy was leaving tomorrow, liaison re arrangements for Murphy's visit should from this point be handled directly between US Embassy Belgrade and Yugoslav Government.

At end conversation Mates asked whether anyone would accompany Murphy and was told he would be accompanied by Hooker of EUR.

SMITH

No. 268

Editorial Note

In the days prior to his departure for Belgrade, Murphy was one of apparently several people who took part in the drafting of a letter from President Eisenhower which Murphy was to deliver to Tito. In an interview in August 1972, Murphy recalled that there were several meetings to draft the letter and that a number of people, including Eisenhower and Dulles, took part in the drafting of the letter, but he could not remember who else was involved. (Campbell, *Successful Negotiation*, page 134) A draft letter from Eisenhower to Tito, dated September 8, is in EE files, lot 58 D 394. This letter, which is nearly identical to the final form of the letter, bears the handwritten notation: "DEM [David E. Mark]. Hold until we get copy of letter as actually delivered, then destroy. [initials illegible]" The following is the text of the final form of the letter, dated September 10 at Denver, Colorado:

"Dear Mr. President: I have asked my friend and your friend, Robert Murphy, to go to Belgrade to discuss with you the Trieste settlement which has been under negotiation during the past seven or eight months, and to ask your assistance in bringing these delicate negotiations to a successful conclusion now. The British and ourselves have been occupying the perhaps unenviable position of intermediaries in this sensitive negotiation. Throughout, we have been most frank in the Trieste negotiations which we regarded as a grave responsibility to be worked out to the mutual advantage of Yugoslavia and Italy.

"In stressing the importance to Europe and to the United States of a prompt and happy termination of the long, drawn-out negotiation regarding Trieste, I count on your continued wisdom and statesmanship. You understand, I am sure, better than I can describe, the larger issues weighing on the free world of which our countries are part. As you know, the United States is providing massive support in Europe to promote collective security which benefits both our countries. The American aid program for your country is not inconsiderable. It is because of our close association and cooperation in the economic and military fields that I feel it is appropriate to call on you in this friendly fashion to intervene per-

sonally in the Trieste negotiations to settle the exceedingly small differences now remaining. These are overshadowed by the larger considerations affecting us all.

"I believe that if you can see your way clear to allowing the Italians a small bit of coastline on the Adriatic, together with some hinterland from the strip of Zone A which they were to have given up under the May 31 proposal, we could achieve a settlement which would work to the great advantage of both Yugoslavia and Italy and strengthen your position in that area. Under the proposal I have in mind, the Italians would forego the segments of the Yugoslav Zone which they were to have received. Thus Yugoslavia would give up none of Zone B and would receive a strip of Zone A in the Muggia Peninsula, just inland from the coast.

"I fully realize that in the London negotiation from February 2 to May 31, your negotiators made concessions which represent great sacrifices on your part, and I want you to understand that in urging this further small concession I am not blind to the great contribution you have already made. In my judgment, however, a settlement is not otherwise obtainable. The result, I feel sure, would redound to the advantage of your country. As a military man, you will understand that if the Trieste problem is settled, it will be possible to create a greater power toward defense in that area than if the Trieste question is not settled; and American assistance can therefore be spent with maximum effectiveness only if a settlement is achieved.

"I have been told of certain economic developments and emergencies which have been brought to the attention of our people. I have asked Mr. Murphy to review these matters with you in a spirit of sympathy.

"With my warm personal greetings and best wishes,

"Sincerely," (Eisenhower Library, Eisenhower papers, Whitman file)

In telegram 250 to Belgrade, September 10, the Department of State informed Riddleberger that Murphy was also bringing with him the United States response to Yugoslavia's wheat problem which it hoped would "be useful in facilitating [the] Trieste settlement." Under the circumstances, the Department asked Riddleberger to leave the wheat question in suspense until Murphy's arrival. (750G.00/9–154)

Murphy and Robert Hooker of the Bureau of European Affairs left Washington on September 11 and arrived in London the following day where they conferred with Thompson. On September 13, they left London and stayed in Bonn until September 14 before flying to Belgrade.

On September 11, the Department of State informed the Embassies in Belgrade, London, Paris, and Rome, and HICOG Bonn that Murphy's departure had become known to reporters at the Department of State under circumstances beyond its control. As a result, no formal statement was made, but it was confirmed on a "reliable

sources basis" that Murphy was making a short fact-finding visit to Europe in the wake of the European Defense Community defeat and that he had no fixed itinerary but that he was visiting London first. The purpose of his visit, it was stated, was to discuss with United States officials, and perhaps others, general policy questions and some economic matters. (110.13 MU/9–1154)

In telegram 1020 from Rome, September 14, Ambassador Luce said that Del Balzo and Casardi were informed on September 13 of Murphy's trip to Belgrade and Rome for the primary purpose of making a final effort at reaching a Trieste settlement. She said that they were delighted at the high-level approach which the Italian Government had several times requested. They were also told that Murphy would discuss both Trieste and economic matters in Belgrade and promised to maintain secrecy regarding the primary purpose of Murphy's trip. (750G.00/9–1454) In telegram 1079 from Paris, September 14, Ambassador Dillon reported that he informed the French Foreign Ministry of Murphy's trip. In answer to a query from a Foreign Ministry official, Dillon confirmed that Murphy's mission was related to Trieste and was not a fact-finding mission after the EDC defeat, as the cover story indicated. (750G.00/9–1454)

No. 269

750G.00/9-1354: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET NIACT BELGRADE, September 13, 1954—1 p. m.

202. Limit distribution. Embtel 197 to Department.[2]

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[1]Repeated for information to London for Thompson, to Bonn for Murphy, and to Rome and Trieste.

[2]In telegram 197, Sept. 12, Riddleberger reported to the Department of State the summary which British Ambassador Mallet had given him of Mallet's conversation with Tito at Brioni the previous day. Mallet followed roughly the same line with Tito as Eden had with Velebit in London. At first Tito had said that Yugoslavia could make no more territorial concessions, but he later said that if it were only a question of a village (presumably Lazzaretto) perhaps something might be done provided territorial compensation were offered. Tito said further that, if the United Kingdom and the United States continued to press Yugoslavia for more territorial concessions, it could only be harmful to their relations with Yugoslavia. When Mallet pointed out that if a territorial compromise were not reached the negotiations might break down, Tito replied that the United Kingdom and the United States should be patient and eventually Italy would accept. Although Mallet and Tito did not discuss the Murphy visit, a Yugoslav official later told Mallet that, while Yugoslavia welcomed Murphy's visit, it was unhappy that he planned to dis-

Continued

1. Acting Foreign Secretary has just given me official Yugoslav reply welcoming Murphy visit to Yugoslavia. Micunovic said that Yugoslav Government will be happy discuss wheat and economic aid and "general political questions." In carefully guarded terms Micunovic indicated they hoped Tito would not be expected discuss details Trieste settlement, and from that point of view Yugoslav Government thought proposed agenda was not too well established. I countered by saying high Yugoslav officials had never hesitated discuss Trieste with me when they so desired and I thought it was not abnormal if Murphy should discuss subject when here. Micunovic agreed but said Yugoslav Government did not want to change location of negotiations.

2. Tito will receive Murphy at Brioni during this week at time to be mutually agreed upon after Murphy's arrival in Belgrade.

3. We arranged that, upon arrival, Murphy will visit Bebler as Foreign Secretary is not expected back until end of week. He will then see Vukmanovic-Tempo on wheat and aid problems.

4. We agreed in view of various press reports (Embtel 199[3]) that Yugoslav Government will issue a communiqué for publication in morning papers September 14 as follows: "Murphy will visit Belgrade this week and this occasion will be used to discuss with Yugoslav Government various economic problems as well as to have an exchange of opinions on questions now of interest to the US and Yugoslavia."

RIDDLEBERGER

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cuss Trieste since it was felt that the negotiations should remain centered in London. (750G.00/9-1254) In telegram 1282 from London, Sept. 13, Thompson said that both Harrison and Kirkpatrick were not hopeful that Tito would yield easily, especially in view of Mallet's conversation with him. Kirkpatrick recommended that Murphy avoid threats which would offend "chauvinistic sensibilities" on the one hand, and equally avoid offending Tito's pride by an obvious effort to buy him off by economic means. (750G.00/9-1354) In telegram 263 to Belgrade, Sept. 13, the Department of State said that, while it did not wish to be oversanguine, Tito's reference to the territorial question in his conversation with Mallet appeared to have overtones of flexibility. (750G.00/9-1354)

[3]In telegram 199, Sept. 13, Riddleberger reported on a Tanjug despatch from Rome the previous day which had linked Eden's upcoming visit to Rome and Murphy's trip with the Trieste question. (750G.00/9-1354)

No. 270

790G.00/9-1454: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, September 14, 1954--11 a. m.

207. Limit distribution. While we have had no conversations with Yugoslav officials other than Micunovic about Murphy visit,[2] we gather from British and other diplomats that an atmosphere of uneasiness prevails in official circles that he plans to put the squeeze on Tito and attempt to use Yugosalv's economic and financial plight, particularly the wheat shortage, to force further territorial concessions favorable to Italy in the Trieste negotiations.

Long before the Murphy visit was known there has been growing resentment at our slowness in giving answers on debts, wheat, etc., and our inaction has been interpreted as a deliberate buildup of pressure by negative means, especially in view of our assurances during negotiations last spring that we would give early sympathetic consideration to Yugoslav's economic needs directly FY 1955 appropriations were known. That this resentment is widespread inside the regime is clearly indicated by the frankness with which our queries to editors and journalists about the recent unfavorable press comment on US policies are countered by the question "why are you holding out on economic aid?"

Our experience indicates that the Yugoslavs will handle the Murphy visit like the seasoned chess players they are, and we shall urge Murphy to make his opening gambit with above considerations in mind.

RIDDLEBERGER

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[1]Repeated for information to London, Paris, Rome, and Trieste.

[2]Regarding the conversation with Micunović about the Murphy trip, Sept. 13, see telegram 202 from Belgrade, *supra*.

No. 271

750G.00/9–1554: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, September 15, 1954—11 a. m.

209. Limit distribution. From Murphy. Contrary to what Ambassador Mates told us in Washington to effect that Tito would be in Belgrade this week,[2] he is in Brioni. Appointment is being arranged and I shall see him there.

After consultation with Riddleberger and Killen I shall have talks today with Bebler (Popovic is absent) Kardelj and Vukmanovic Tempo in hope of creating favorable atmosphere for Tito conversations.

As an element in Trieste negotiations which may be helpful, I find wheat shortage is more drastic than Washington estimate given me before departure. Shortage I am told will be closer to 1,000,000 tons than 700,000. Killen cooperating and we hope make maximum use of authority given me under this heading. Reason given for unusual shortage in this area of customary pre-war surplus is unfavorable weather conditions together with larger than usual hold back by many peasants dissatisfied with Communist regime.[3]

RIDDLEBERGER

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[1]Repeated for information to London, Rome, and Trieste.

[2]The substance of the conversation between Murphy and Mates on Sept. 10 is contained in Document 267.

[3]In telegram 268 to Belgrade, Sept. 15, Smith informed Murphy that he had talked with Stassen at the meeting of the Operations Coordinating Board that day, and Stassen had said that the necessary wheat would be forthcoming if a settlement could be obtained. Smith also stated that Murphy and Killen could make maximum use of the authority given under this heading. (750G.00/9–1554)

No. 272

770G.00/9–1554: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, September 15, 1954—9 p. m.

213. Limit distribution. Defense pass to Hensel and Lemnitzer. Pass FOA for Stassen. From Murphy. Re: Embtel 209.[2]

1. Discussions with Yugoslav Government opened this morning in meeting with Bebler, Riddleberger and myself. I explained the general purpose of my trip and informed him that in addition to such economic subjects as aid and wheat, I proposed to discuss general political problems and in particular Trieste.

2. As I was seeing Vice President Tempo immediately after, I did not spend much time on wheat and aid and my discussions with Tempo are reported separately.[3]

3. Re Trieste, I indicated the President's and Secretary's direct interest in this matter, made reference to the lengthy negotiations that have taken place and emphasized necessity of a rapid solution. Bebler seemed to receive favorably my suggestion that to achieve prompt solution of Trieste question requires that it be placed on higher level of broader political considerations involved in European collective security. I emphasized importance President and Secretary attach to statesmanlike gesture by Tito and Yugoslav Government. Bebler seemed impressed by argument that larger Yugoslav interests especially enhancement Yugoslav relationship to US in hard economic road facing Yugoslavia are involved. He asserted Yugoslavia every bit as desirous prompt settlement as US—hinted I should avoid any suggestion Yugoslavs could be bought off by economic aid or pressure and I assured this farthest from our thoughts. I was at some pains to put problem in its proper perspective in relation to collective security and to impress upon Bebler our impartiality in dealing with it. Without disparaging the concessions which Yugoslavia has made, I underlined how small is the territorial difference separating us from a settlement and then gave him a general idea of what we would propose to conclude the negotiation.

4. Bebler received this calmly. He repeated but not vigorously standard Yugoslav reply to the effect that US–UK had pushed Yugoslav Government to limit, we have not followed their advice

[1] Repeated for information to London, Rome, and Trieste.
[2] *Supra.*
[3] See telegram 212 from Belgrade, Sept. 15, *infra.*

and retained any flexibility on the territorial problem, Italians would accept if we remained firm and we could not in justice expect Yugoslav government to make further concessions. He wondered if another concession were made whether this would not be the end and we should be faced with more Italian demands.

5. I stated that US after eight tedious months of negotiations was approaching the end of its ingenuity. We are now seeking statesmanlike decision by both Yugoslavs and Italians. If territorial settlement could be reached by Yugoslavs conceding a tiny wedge along the coast to Italians, the US would not mince words in Rome in an effort to obtain acceptance. In any case, we would not propose to return with additional territorial demands.

6. Bebler replied that if new territorial concessions were to be demanded of Yugoslav Government, he personally believed it would be necessary to ask territorial compensation however small; if Italians insisted upon the coastal area, the compensation would have to be larger than if it were made in the interior. He did not contend however that any further territorial compromise was impossible and this is encouraging.

7. I informed Bebler that President and Secretary wished me to outline directly to Tito larger aspects of problem as we felt assured his understanding and cooperation but I wanted acting Foreign Minister fully informed and hoped to count on his support. He said he would do his best and meeting concluded on very cordial note.

8. Bebler recommended that in talking to Kardelj, whom I shall see tomorrow afternoon, I review the general European situation on collective security with him. This I propose to do.

9. It has been arranged that I shall fly to Brioni September 17 for interview with Tito. Both Riddleberger and I agree it is wise to have these preliminary conversations with high-ranking officials first before attempting to close the deal with Tito. We believe he will certainly consult with Kardelj, Bebler and Tempo before any decision in view of the close teamwork and inner harmony of the ruling circle here.

RIDDLEBERGER

No. 273

750G.00/9-1554: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, September 15, 1954—8 p. m.

212. Limit distribution. Defense pass to Hensel and Lemnitzer. From Murphy.

1. Together with Riddleberger and Killen I called on Vice President Tempo this morning. Tempo had with him Ambassador Kopcok and Gligorov, Deputy Chief of Planning Institute.

2. After most cordial reception I expressed interest in general Yugoslav economic affairs and particularly situation created by shortages in agricultural supplies.

3. Tempo, during one hour and half, outlined course of events in economic field since end of war. Cited Yugoslav Government's desire to industrialize, progress in that direction, effect Cominform break, Yugoslav Government turn to west, measure and importance US assistance towards completion investment program, relative production indices before and after war and other data all of which has been fully reported in past.

4. Tempo then turned to agriculture, saying agricultural policies divided into two time-periods, that of administrative controls and later period following discontinuance all compulsory tactics and introduction of economic incentives. Tempo discussed in detail and very frankly characteristics both periods and related policies. No significantly new data voiced this part of discussion.

5. Tempo then came to specific issue of wheat. He cited average crop yields over postwar period of approximately 2.35 million tons. With this yield approximately 700,000 tons imports needed. Had earlier estimated calendar year 1954 crop at about two million tons but only this morning up-to-minute estimate based on reports from countryside, precontract deliveries and threshing tolls indicated crop, would not exceed 1.6 million tons. Tempo suggested Embassy, as in spring calendar year 1953 might explore situation in countryside. This appears worst crop but one since 1918. On this basis required imports for crop year, September 1–September 1, would reach minimum of 1.3 million tons. Of this amount 100,000 already contracted Canada (involving $7 million new debt); 100,000 in US pipeline; negotiations proceeding with French for 100,000 (French requiring payment in dollars); and in spite of continuing Turkish

[1]Repeated for information to London, Rome, and Trieste.

unwillingness, Yugoslavia pressing for Turkish sales under trade agreement. At best Tempo indicated 900,000 to one million tons still to be found. Referred to current trade negotiations with Russians and said that while he favored gradual removal this trade embargo, opposed, in principle, Russian achievement role as major trading partner. Russians also wanted lead, zinc, copper, et cetera, as payment which Yugoslav Government would refuse. Yet in spite this reluctance to engage extensively (value-wise) in Russian trade, Yugoslavia, he said, may be forced to do so unless it receives aid on wheat and debts. Tempo reported wheat now being allocated to districts and extraction rate sharply increased.

6. Tempo then moved on to debt problem. He outlined general nature of debt position which we knew. Cited Yugoslav Government desire to fund medium-term debt and voiced concern over growth of short-term debt for current import financing. Said this only way in which level of industrial production being maintained but this could not go on. Referred to payment requirement this fiscal year of $50 million which Yugoslav Government could not make. Did not raise question of debt conference.

7. Tempo then recapped great value of US aid, starting in 1950 and during intervening years. He voiced appreciation of this aid for its specific uses and over-all relief it afforded Yugoslavia to continue its investment and defense programs. He remarked on voluntary long-term funding of Export-Import loan without any request from his government. He said it now appeared that there was some change in US attitude towards Yugoslavia. He had discussed Yugoslav Government economic problem with Riddleberger and Killen and made request for US help. No answers had yet been given. He wondered if some political conditions were being planned in view of critical Yugoslav Government needs. He said he did not know about this and perhaps he was wrong. Yugoslavia would not want to make political concessions, as a price for aid. He concluded his remarks and indicated his interest in my comment.

8. In thanking Tempo for his clear and frank exposition of the Yugoslav Government problems and difficulties, I said there was no change in US attitude toward Yugoslavia. My government naturally engaged in review of ensemble of European problems in light of developments of which he aware. US concerned with requirements of collective security. (Tempo nodded vigorously.) With this objective in view, problems such as the Franco-German and Yugoslav-Italian relations of primary importance. President of US actively interested in these problems and at his request I hoped discuss these larger considerations with Marshal Tito on Friday emphasizing urgency of prompt Trieste settlement. While the wheat and debt problems are economic issues and we try to keep econom-

ic and political issues separated, this is not always possible. I expressed hope that before my departure I would be able to give General Tempo "good news" on the wheat problem. I pointedly asked his personal support in achieving Trieste settlement. With reference to Yugoslavia's debt difficulties, these had been fully reported to Washington by Embassy and US will be as helpful as it can be.

9. Throughout the discussions Tempo was frank and affable, and I hope that his obvious anxiety over pressing wheat and economic problems will stimulate his support in favor Trieste agreement.

RIDDLEBERGER

No. 274

760G.00/9-1654: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, September 16, 1954—8 p. m.

216. Limit distribution. From Murphy. Riddleberger and I had two-hour conversation today with V. P. Kardelj and acting Foreign Minister Bebler. We were told before meeting that V. P. was interested in international situation. I outlined some features of western Pacific, Near East and Western European collective security questions and then brought conversation around to Trieste. Kardelj said Bebler had briefed him on our conversations of yesterday. I underscored interests of President and Secretary in early settlement because of the larger political considerations involved and described US-UK idea of small deviation on western end of May 31 line. I explained my purpose to proceed Rome for last attempt to persuade Italians of equity of May 31 proposal but that I wanted Kardelj's support for Yugoslav Government authorization to offer Italians small wedge of territory at western end of line.

Riddleberger and I again advanced every argument available all of which Kardelj seemed to expect. His firm position seemed to be that US-UK had made a commitment in effect guaranteeing May 31 line as settlement basis and that we had assured Yugoslavia we had means which we would use to oblige Italians to accept. (We contested this interpretation.) Yugoslav public opinion would resent implication that US now obviously under Italian pressure forcing Yugoslavia to yield more territory. This would be bad

[1]Repeated for information to London, Rome, and Trieste.

augury for future political relations not only between Italy and Yugoslavia but between Yugoslavia and US.

I drove point home that US fails to understand how Yugoslav Government or people could entertain such view in light importance US economic and military aid program for Yugoslavia in which Italy does not participate. Kardelj admitted this an important factor.

Kardelj understands I shall present to Tito Friday[2] President's message and discuss problem. Whether his negative attitude today colored by that fact I am not certain. His opposition to further concession without very substantial territorial compensation most firm and determined. He told me in effect he took final position with top party leadership that May 31 was last word and to concede further would humiliate.

RIDDLEBERGER

[2]Sept. 17.

No. 275

750G.00/9–1754: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET PRIORITY LONDON, September 17, 1954—5 p. m.

1384. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. Velebit today said he was authorized propose a rectification of western end of the line to run from just south of Lazzaretto to a point on the May 31 line about midway between Punta Sottile and Montesan Michele in return for Bassovizza and the quarry rectification. We pointed out that disparity in both size and population of the two areas was so great we felt this would be of no assistance in securing agreement. After discussion various other possibilities Harrison asked whether Velebit thought his government would consider unilateral concession of a line running parallel to and about 100 meters south of line 51 to the May 31 line. Velebit undertook to ascertain his government's position but said he knew his government was concerned that whatever concession they now made however small or large would be met by further Italian demands. Harrison suggested that if we knew it would be acceptable to Yugoslavs we might put it to both parties. I said I would have to ascertain views of my government. It was agreed we

[1]Repeated for information to Trieste, Belgrade, and Rome.

would not put the Bassovizza proposal to Italians until we had Yugoslav reaction to Harrison's inquiry.

I also pointed out that Murphy had expected discuss this problem with Tito and would be holding discussion in Rome on Monday.[2] After the meeting Harrison suggested that if Murphy got nothing better from Tito than the Bassovizza proposal he merely tell Italians that he had made strong representations, that the Yugoslavs appeared to be very firm but would give their answer in London. Velebit expects to have reply Monday or Tuesday. If Yugoslavs reply favorable suggest we should also sound out Italians before putting firm proposition to both parties.

We also discussed with Velebit our proposed report to UN which he seemed to consider satisfactory.

ALDRICH

[2]Sept. 20.

No. 276

T[illegible]G 00/9-1754: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET NIACT BELGRADE, September 17, 1954—8 p. m.

219. Limit distribution. Defense pass to Hensel and Lemnitzer. From Murphy.

1. Our visit with Tito today came off rather better than expected. Riddleberger and I spent about 4 hours with him and his close adviser Vilfan at the summer residence on Brioni. It was not without touch of envy that we noted Tito's bronzed and refreshed appearance showing benefits of summer most of which he has spent on this salubrious gem of the Adriatic.

2. There was lengthy conversation and for us genial lunch during which talk ranged from amiable references by him to our wartime contact in 1944 at Naples and his headquarters on Island of Vis to active discussion of European political situation, the USSR and Far East. This will be reported in separate telegram.[2]

3. During course of this I handed him President's letter[3] adding oral greetings from President and Secretary Dulles. He excused

[1]Repeated for information to London, Rome, and Trieste.
[2]Document 704.
[3]See Document 268.

himself for five minutes after lunch to retire to study to read President letter carefully. We then discussed Trieste for an hour.

4. Tito succinctly reviewed the Yugoslavia case on Trieste offering nothing really new but in very moderate reasonable terms. He said he wanted a settlement as much as we do. Tito made no charge as did V. P. Kardelj yesterday that we were "repudiating" our May 31 "agreement".

5. He repeated statement by Kardelj that Yugoslavs would be delighted to negotiate directly with Italians. He asked for sympathetic understanding of his governments position internally in Yugoslavia where this political question is loaded with dynamite.

6. I then reviewed painstaking effort US–UK have made during eight months not asserting that October 8 procedure was entirely free of defects. I acknowledged concessions Yugoslavs made. I described our unenviable position where we continually are the target of both Italy and Yugoslavia suspicion and artful design (which got a hearty laugh). I emphasized our sole interest of promoting stronger European collective security (which evoked approving nod). Then I broached proposition agreed with Thompson and Harrison at London, outlining on map given me by Thompson deviation from Western end of May 31 line (i.e. line roughly from intersection line 50 and coast to peak Mt San Michele).

7. I said I wanted his agreement that we try once again to obtain Italian agreement to May 31 line. We expect that to fail. Then we would try in Rome to obtain their consent to the revision of the May 31 line. I wanted his agreement in principle.

8. Tito said he agreed to our proposal but that there would have to be some territorial compensation. I asked him to indicate on map where that would be and he pointed to the rockpile area. He did not say he insisted on all of the rockpile area but generally he contemplated an area reasonably proportionate to concession he was making on Western end of May 31 line. He said details would be worked out. In reply to Riddleberger's question Tito said that he would not ask for compensation in the Bassovizza area. We thanked him for that. Tito said he would have to consult his advisers about details and was interested in avoiding appearance of unilateral concession. His reasonable attitude here evinced unconcealed desire to conclude and after our Belgrade conversations exceeded our expectations. He of course, gave expression to his limited faith in Italians and his belief they use Trieste domestic political football. There was resigned nostalgia over abandonment of his wartime dream that Trieste would be Yugoslavia's.

9. Our conversation concluded with brief reference to Yugoslavia bad luck having another year of crop failure. He had expected wheat crop of 2,500,000. Now he learns there will only be 1,600,000.

10. As I was given to understand he did not wish territorial concession on Trieste directly related to US economic aid I limited my remarks to statement of regret over Yugoslavia bad luck and confidence US would have some good news for him on wheat.

11. After repeated requests to extend his warmest greetings to President and the Secretary we departed.

12. After confirmatory conversation with Foreign Minister Saturday[4] at Belgrade I plan proceed Rome.

13. I propose in light of Tito's willingness to cooperate on territorial question to tell Bebler in strict confidence that Killen will inform Yugoslavs of our willingness to deliver 400,000 tons of wheat under conditions agreed by Stassen, Agriculture etc at my departure from Washington. It is believed that this offer should be held in confidence pending our upcoming discussions with Italians. Killen concurs.[5]

Please inform Stassen.[6]

RIDDLEBERGER

[4]Murphy's conversations with Bebler and other Yugoslav officials on Saturday, Sept. 18, are described in telegram 1100 from Rome, Sept. 18, *infra*.

[5]The question of whether the United States through the Murphy mission used economic pressure on Yugoslavia to obtain a favorable response on the Trieste dispute has been the source of controversy. In his memoirs, Anthony Eden said that, in view of the Yugoslav shortage of wheat, Murphy was sent to Belgrade with authority to offer wheat to Yugoslavia, which injected "a mood of reasonableness" and made possible a minute territorial adjustment, with Yugoslavia giving up a few hundred yards without asking any compensation. (Eden, *Full Circle*, pp. 208–209) In an interview in August 1972, Murphy said that he always resented Eden's implication that the United States had "bought out" Tito. Murphy stated that he felt this interpretation to be totally wrong and that he did not believe that Tito would have sold out, "if he really had a conviction that he wanted to do something else, for a batch of wheat." According to Murphy, "we only got into the cereal thing *after* the decision had been made." (Campbell, *Successful Negotiations*, p. 133)

[6]A handwritten notation in the margin by William E. Knight reads: "Copy of tel. authorized for Mr. Stassen 9-18-54."

No. 277

760G.00/9-1854: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET NIACT ROME, September 18, 1954—9 p. m.

1100. From Murphy. After conversation with Tito reported September 17 from Belgrade Riddleberger, Hooker and I had two conversations September 18 first with Bebler and then with Kardelj, Koca Popovich and Bebler. Killen also saw Vukmanovic-Tempo.

[1]Repeated for information to London for Thompson and to Belgrade and Trieste.

First question we were asked by Bebler was what we thought of "new proposal" discussed in London September 17 by Velebit, Harrison and Thompson.[2] I replied I was not aware of any new proposal. Bebler explained that in London there had been discussed possibility of concession by Yugoslavs of small slice of territory about 300 by 800 metres immediately below Punta Sottile running approximately from coast 100 metres south of parallel 51 to May 31 line. I said I was not prepared to discuss it. Bebler took pains to explain that this additional variant might be useful in discussions with the Italians. I replied that if we continued jumping from one variant to another I feared we would never conclude and that I preferred dealing with the proposition on which we had found agreement yesterday in principle with Tito.

Bebler took issue over our understanding that Tito had agreed that compensation for Yugoslav concession of wedge (intersection line 50 and coast to Mount San Michele) on coast would be only part of rockpile saying it would have to be all of rockpile. He offered to verify this by telephone with Brioni.

Afterwards they all came to Embassy for lunch. Bebler said they had discussed matter by telephone with Brioni and is now clear that they want all of rockpile in compensation. This was said by Bebler and confirmed by Kardelj but I thought without much conviction.

I believe it was said for bargaining purposes and to avoid another rigid position similar to that resulting from May 31.

However, re smaller Punta Sottile slice they wanted us to know in confidence that if Italians were interested in such a solution Yugoslavs would first ask for the quarry as compensation but actually are prepared to make this as a unilateral concession without any compensation.

I propose therefore that in talks with Italians we lead off with proposed swap of wedge for rockpile resulting from Tito conversation. If that fails we can try the variant of the small Punta Sottile slice first with compensation then if necessary as unilateral concession by Yugoslavs.

Suggestions from Thompson and Department would be appreciated.[3] Riddleberger and Wallner, who have lived with this question

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[2]Presumably a reference to the proposal in Document 275.

[3]In telegram 930 to Rome, Sept. 18, Smith told Murphy that he concurred in his proposed tactics with the Italian Government and that his opening suggestion should be acceptable if the Italian Government, as Thompson had indicated, were interested in saving face by accomplishing a nominal change in the western end of the May 31 line. (750G.00/9–1854)

for long time agree with my impression Yugoslavs now are sincerely eager to conclude. US wheat aid has had most helpful impact.

LUCE

No. 278

750G.00/9-1854

Memorandum of Conversation, by the First Secretary of Embassy in Italy (Collins)

TOP SECRET [ROME,] 18 September 1954.

Participants: The Deputy Under Secretary, The Ambassador, Mr. Hooker, Mr. Williamson, Mr. Collins, Mr. O'Sullivan.

Subject: Trieste

The Deputy Under Secretary opened the conversation with a résumé of what had taken place in Belgrade. He said that so far as he was concerned, he thought we could get a settlement. He pointed out that President Eisenhower was very interested in settling Trieste as soon as possible and that the United States needed a diplomatic success now. The Yugoslavs want to settle Trieste although he found the lower levels very cautious. He was upset by Kardelj whom he likened to a miniature Molotov—the party men gave very little and had a very insular view of the situation, but when Tito read the President's letter suggesting a slight adjustment Tito came around to agreement. Tito impressed Mr. Murphy as sincerely wanting a Trieste agreement and as also looking for an invitation to visit the United States. He has burned his boats with the Soviets and knows it. The Yugoslavs were not impressed with USSR offers to help as the price is always internal interference and control.

Insofar as the conversations regarding territorial adjustment were concerned Mr. Murphy said that Tito does not care about the real estate but that he seems concerned with the party reaction. Although the Yugoslavs admit now that the May 31 proposal was not a commitment on the part of the British and ourselves, they apparently told their party people that it was and now find some difficulty in changing. Mr. Murphy said that Tito had offered and that Popovich and Bebler had later confirmed the following alternate Yugolav offers—

1. A small rectification of the May 31 line (from a point at parallel 50 on the coast line, about half way around the point to the present Zonal line, straight to the May 31 line at the top of San Michele) in return for all the rockpile.

2. An even smaller slice starting from a point on the coast 300 meters south of the Punta Sottile lighthouse and going due east 800 meters to the May 31 line, but without asking the Italians for the rockpile so that in effect the Italians would get something in Zone B.

In neither proposal is Bassovizza mentioned.

The conversation then turned to the tactics that might be used in selling this solution to the Italians and after some general discussion the following points were stressed—

1. The May 31 line should not be mentioned as an alternative but during the talks the statement should be made that we assume that the May 31 line is not acceptable to the Italians but would like to know why.
2. Throughout the talks the personal interest of President Eisenhower and the fact that he went so far as to send a personal letter to Tito urging a territorial rectification should be stressed.
3. Both the President and the Secretary were impressed by the Prime Minister's statesmanlike utterances with regard to Italy's desire and readiness to play a larger role in European affairs and by his assurance that once the Trieste question were settled a flow of agreements (ratification of NATO SOF, Facilities agreement, etc) would automatically follow.
4. When Italy asked for a high level intervention to settle the Trieste question, the United States responded immediately. We too agree with the Italian thesis that Trieste is the key which will unlock a number of doors and we have therefore intervened and obtained two alternative territorial settlements. It is up to the Italians to say as quickly as possible which of these two Italy will accept.
5. From the black dire picture of Europe and the world we proceed to a little light—Trieste requiring an act of true statesmanship on the part of the Italians. The West needs a victory badly now. Italy can show her role of leadership in Western Europe by providing that victory of a very touchy problem.
6. We think that either [*both*?] alternatives are excellent solutions of this the last hurdle to a settlement. There can be no further negotiations insofar as we are concerned. We have performed our role and gotten what the Italians asked for—a rectification of the May 31 line.
7. These alternatives are not Yugoslav ultimata but are the logical successful end of the negotiations.
8. When Italy has accepted suitable procedures will have to be worked out to have the agreement initialled in London but Mr. Murphy would like to have the Italian word of acceptance before he returns to Washington because of the extraordinary interest of the President. There is every likelihood that efforts will be made to exempt Italy from the rather severe effects of the Richards Amendment.[1]

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[1]The Richards Amendment to the Mutual Security bill of 1953 provided that 50 percent of the military assistance funds for Europe in fiscal year 1954 be used for

Continued

9. Francis Williamson will start the ball rolling by telling Casardi and Del Balzo Sunday afternoon what has happened in a broad general way and enlisting their support to push this settlement over. Then Mr. Murphy will enlist Zoppi's support in the same way and so on.

10. The Italians especially the Prime Minister should not be given a chance to argue their side of the question—they should be kept on the defensive by our painting our picture and our solution first.

11. Agreed text of press statements should be prepared in advance.

12. A map showing the two alternatives should also be prepared for submission to the Italians.

13. Insofar as timing is concerned it was felt that we should push as hard as possible now because the Italians are desperately looking for some diplomatic victory to counter the failure of EDC on which they had staked their foreign policy and to take some of the heat off the Montesi case.[2] The Foreign Affairs debate comes up within two weeks in Parliament and the anniversary of October 8 follows shortly. In other words the administration is in a spot. The change of the Foreign Minister will help not hurt the chances for agreement. Timing is good and all pressures should be used.

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equipment and materials to be transferred to the European Defense Community or to countries which became members thereof, unless Congress, upon Presidential recommendation, provided otherwise. For text of the Richards Amendment, agreed to July 11, 1953, see vol. v, Part 1, p. 796.

[2]Regarding the Montesi affair, see footnote 3, Document 175.

No. 279

750G.00/9–2054: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET PRIORITY ROME, September 20, 1954—7 p. m.

1113. Limit distribution. From Murphy. Ambassador Luce and I had a long and most cordial meeting today with Zoppi, Del Balzo, Casardi and Lanza on the Trieste question. I followed the outline contained in Embtel 1107[2] pointing out the great interest of President Eisenhower in a settlement and stating that we were glad to accept the Italian suggestion concerning "highest level representation". In stressing the personal interest of the President in this

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[1]Repeated for information to London for Thompson and to Belgrade and Trieste.

[2]In telegram 1107, Sept. 20, Murphy described his "exceedingly cordial discussion" of the Trieste issue with the new Italian Foreign Minister, Gaetano Martino, at an informal dinner the previous evening. His approach to Martino, as outlined in this telegram, was almost identical to the approach suggested in the memorandum of conversation by Collins, *supra*. (750G.00/9–2054)

matter I told the Foreign Office officials of his letter to Tito.[3] I stated that not only was the President interested in the settlement of the Trieste question itself but he was particularly concerned about the larger problem of the course of European events. After sketching the problems created by the French action on EDC I said that the President's problem was to determine "where we are going" and in that process good relations between Italy and Yugoslavia as in case of France and Germany would be a very important factor.

In giving this background of my trip to Belgrade I stated that I had discussed the Trieste question at length with all Yugoslav officials including the interview with Tito last Friday. I said that as a result of these talks I came to Rome with a proposal which I considered to be a sound and reasonable solution of the troublesome problem of territorial rectification. Before outlining the proposal to the Italian officials I said that this was our maximum position and that I sincerely hoped that it would be accepted without counter-proposal because subsequent negotiations of the proposed lines could not be undertaken.

With the aid of a large-scale map I then presented the following as final alternatives:

(1) A swap of the 1B rockpile for a wedge formed by drawing a line between the intersection of parallel 50 (as indicated on sheet 53 A-1, AMS series M 791) with the coast to the peak of Mt. San Michel.

(2) The retention in 1A of a slice formed by running a line 100 meters south of parallel 51, as indicated on the same map, from the coast to the May 31 line.

Zoppi and his colleagues then proceeded to study the map with great intensity and interest. They asked many questions, particularly the mechanics with which the lines would ultimately be drawn. I replied that the ultimate boundary under the foregoing alternative proposals would be drawn under the same provisions as were provided in the original agreement.

Zoppi and his colleagues stated they considered the alternatives a balanced settlement either one of which could be defended before the Italian Parliament and Italian public opinion. I stressed that the territorial question was the only problem involved as all other aspects of the Trieste settlement had been agreed in London. I pointed out that a clear decision would be most desirable as I stop in London on my way home and hope that Thompson could clear this question in a few days thereafter.

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[3]Dated Sept. 10; see Document 268.

Italian officials stated that although proposals offered a "choice between two evils" the Foreign Office could agree to one or the other of the alternatives but it was necessary both to consult Fracassi concerning local Trieste reaction and to refer the matter to Scelba. They stressed that the decision did not belong in the Foreign Office but would have to be made by the Cabinet which will meet tomorrow morning. Their whole attitude seemed to be encouraging, and they expressed gratitude first that we had made representations in Belgrade and secondly that a modification of the May 31 line had been achieved.

Later at lunch I was told by Zoppi and others that Scelba had agreed to raise the matter in the Council of Ministers tomorrow and to push for acceptance of whichever proposal would prove, in the judgment of the Cabinet, the more politically possible for Italy. Ambassador Luce and I have an appointment with Scelba this evening at 6 p. m., and will lay the entire matter before him in the same detail with which I presented it to the Foreign Office. Tomorrow I will see the new Foreign Minister Martino who as the Department is aware (my telegram 1107) was most sympathetic to the whole idea. I will stress both with Scelba and Martino the finality of this offer and will state that no counterproposal can be made and no further negotiations can be undertaken.

Ambassador Luce raised the question of timing of the announcement of agreement and we urged early announcement. Italians unanimously agreed that any announcement of Italian acceptance should include details of the agreement. We all feel that whole story should be presented since it will become a matter of public debate. They agreed that announcement should be made as soon as possible before anniversary of October 8 and that shortest time possible should elapse between announcement and take-over.

LUCE

No. 280

740.00/9-2054: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET PRIORITY ROME, September 20, 1954—10 p.m.

1114. From Murphy. Ambassador Luce and I had long talk with Scelba this evening. I presented to him same arguments I used this morning with Zoppi and Foreign Office officials stressing particu-

[1]Repeated for information to London, Belgrade, and Trieste.

larly personal interest of President Eisenhower in a settlement which would contribute most to general European interest. Zoppi had already informed Scelba of exact details of alternative proposals on territorial rectification as reported in Embtel 1113[2]—consequently I did not take up with Prime Minister any details but confined my remarks to the urgency and reasonableness of the settlement and effect it would have on our mutual objectives.

After Scelba expressed his appreciation for President's interest in this question he gave long historical account of Trieste question in which he pointed out with great emotion that Tito always won and that Italy always was forced to give up its historical rights. He reviewed Trieste question from time of World War I to present.

Scelba informed me that he felt and Italian public opinion would feel very bitterly about this question but he recognized his responsibilities in matter and that he would recommend to his Cabinet an acceptance of one or other alternative proposals. He said that he would speak bitterly to Cabinet since it meant transfer of "many Italians" to Communist rule but nevertheless a solution must be reached. He stressed that chief problem involved was of placating Italian public opinion. Many questions will be asked both in Parliament and in press which government is forced to answer in best light possible. He was sure however that Italian Cabinet would recognize its international responsibilities and would accept a settlement which would contribute to improvement of Italo-Yugoslav relations. He felt that continued improvement in Italo-Yugoslav relations after settlement would depend solely on manner in which Tito protected rights of Italians placed under Yugoslav rule. If he violated those rights, then Trieste settlement would have no validity whatsoever in easing European situation.

We plan to see Martino tomorrow. Scelba gave no indication when decision of government would be made known to us but stated that we were "at the end of the drama" and there was no point in prolonging negotiations on this question. I anticipate that an early decision will be given by Italian Government. A full report of the conversation will be transmitted later.[3]

LUCE

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[2]*Supra.*

[3]Not found in Department of State files.

No. 281

770G.00/9-2154: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET PRIORITY ROME, September 21, 1954—9 p. m.

1133. Limit distribution. Defense pass Hensel and Lemnitzer. From Murphy. Ambassador Luce and I met with Foreign Minister Martino this evening. He immediately came to grips with Trieste problem without preliminaries, laying out a map of the area. He said he had discussed the matter with Prime Minister Scelba and had a few questions to ask. He said that he had been confused after our conversation on Sunday[2] regarding the exact dimensions of the small slice. After that was explained to his satisfaction I mentioned that incidentally on Sunday I had not referred to the Yugoslav suggestion that if possible they would like compensation for the small slice in respect to the Monrupino quarry. However, some Yugoslavs had said that they would not insist on this compensation and therefore, we were not pushing it. The Minister passed this over without comment.

The Minister referred to Piccioni's declaration to the effect that Italy could not accept any solution which gave them less than October 8 and therefore the question of compensation for any adjustments of the Zone A line is so important. I said that we understood that difficulty and assumed that perhaps the small slice with the compensation of the rockpile area would be more satisfactory. The Minister nodded and then proceeded to suggest that the larger wedge on line 50 with some deviation of the Zone B line in the rockpile area would be more attractive. I told him that we fully appreciated this factor and had made a maximum effort in Belgrade to achieve it but we had failed and that the choice of the two solutions which were now offered was final as far as we were concerned and represented our maximum effort. The Minister then said "if we have no other choice we must accept one of these". He said that he would consult with Scelba and would notify either Ambassador Luce or myself this evening or tomorrow morning which of the two alternatives his government accepts. I reiterated our understanding that the Italian Government would accept one of the two and the Minister agreed that that is the situation.

The Minister then raised the subject of the timing of the announcement of the settlement and said that it was essential that

[1]Repeated for information to London, Belgrade, and Trieste.

[2]Regarding the conversation between Murphy and Martino on Sept. 19, see footnote 2, Document 279.

this be done as soon as possible for the reason that on October 4 the debate on the Foreign Office budget would occur and he desired to have the announcement of the Trieste agreement made before that time. I asked whether that meant that he wished to make it within the next few days, having especially in mind that it would enhance Italy's position and his own position at the London conference which begins September 28.[3] The Minister agreed and said that they desired to make the announcement within the next few days if possible and that in making the announcement they would wish to announce the details of the agreement. It was made explicit that the announcement would be made simultaneously with the initialling of the agreement.

The Minister then raised the question regarding the transfer of such of the Italian population as might want to leave that part of Zone A which is being conceded by Italy to the Trieste area. We said we doubted there would be great difficulty on that score. The Minister suggested that perhaps as many as 2,000 people would leave the area and would wish to be provided for. He desired to avoid incidents. We said that the US would do whatever it could to facilitate an orderly and humane transfer of population with an indication that our estimate of the number of persons who would leave was less than the number he had suggested.

I then mentioned the problems of reparations and cultural houses. The Minister appeared to be unfamiliar with both these subjects and I said I presumed that he would wish to have them discussed in final detail in London. It seemed unwise to pursue these two topics further as the Minister was obviously uninformed.

We were reliably informed at a meeting last night between Zoppi, Del Balzo, Casardi and Lanza it was agreed that the Italians could not raise their figure of 150 million lire for a cultural house more than 25–30 million lire. I believe that we can not allow this issue to hold up agreement and that Thompson must use his discretion with respect to the remaining 5 million dollars at his disposal.

Martino throughout made it quite clear that he was speaking with the authority of the Prime Minister.

At the end of our conversation I emphasized again the value that we saw in the new Foreign Minister proceeding to the London conference with his position strengthened as result of agreement on Trieste and assured him that Secretary Dulles would want to discuss with him other matters of mutual interest. This was warmly seconded by Ambassador Luce and we both hope that there may be

[3]Reference is to the Nine-Power Conference, Sept. 28–Oct. 3; for documentation, see vol. v, Part 2, pp. 1294 ff.

an opportunity at London for the Secretary to show special attention to Martino for obvious reasons.[4]

The Department will of course have in mind the importance of capitalizing through our public information and other agencies at the appropriate time value this agreement after it is announced.[5]

LUCE

[4]Dulles and Foreign Minister Martino briefly discussed the Trieste issue in London on Sept. 27; see footnote 2, Document 286.

[5]The source text bears the handwritten notation in the margin here: "being done."

No. 282

750G.00/9-2254: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET PRIORITY ROME, September 22, 1954—1 p. m.

1140. Limit distribution. As stated in Embtel 1133[2] Casardi and Del Balzo met Murphy at airport early this morning to discuss government's decision on two alternatives for frontier rectification. They did not give any definitive answer but stated that the following procedure would be followed:

(a) Instructions would be sent to Brosio to conclude immediately all aspects of proposed agreement with exception of territorial question.

(b) Entire agreement containing two alternatives on frontier rectification would then be presented by Scelba for Cabinet decision.

(c) Cabinet would decide whether alternative one or alternative two would be accepted (as described in Embtel 1113 September 20[3]) and final agreement could then be completed in very short time.

Foreign Office officials said that this procedure was necessary in view of political problem faced by Scelba since territorial settlement was least attractive aspect of agreement from Italian point of view. Territorial provisions however are counter balanced by other favorable aspects which Italy would derive from Trieste settlement. They believe that Scelba could then present entire package with choice of territorial alternatives in much better light than if he presented solely problem of frontier rectification without being able to stress the advantages of agreement to Italy. They reiterated

[1]Repeated for information to London for Thompson and Paris for Murphy and to Belgrade and Trieste.

[2]*Supra.*

[3]Document 279.

importance of timing as outlined in Embtel 1133 and stated that instructions would be sent to Brosio to proceed on foregoing basis immediately.

Casardi and Del Balzo pointed out two problems which still disturbed them:

(a) On question of cultural houses they repeated that raising their figure of 150 million lire by 25 or 30 was all that could be done at present time. Del Balzo suggested that land and an "equitable" sum of money be given to Yugoslavs for purpose of constructing a cultural house and that details providing for further payments over a longer period of time be worked out at a later date. They pointed out discrepancy between requirement for providing 500 million lire for cultural houses in Trieste and the fact that "no hovel is available in Capodistria for Italian Consulate." Del Balzo stressed that problems of this type might raise difficulties in the ultimate political decision. (We learned from Fracassi today that instructions were sent to Brosio limiting additional Italian financial support to 25–30 million lire.)

(b) Italians also disturbed by phrase "regardless of their legal status" in first sentence draft letter on financial settlement. According to Casardi, Yugoslavs responsible for paying for property of optants. However, Yugoslavs have refused recognize right of certain people residing or formerly resident in territory ceded to Yugoslavia by Italy under peace treaty. Yugoslavs refusal based on grounds that persons involved are ethnically not Italians. Italian Treasury estimates that property claims of persons this category amount to ten million dollars. Question apparently involves Article 10 of Annex 14 peace treaty and Italo-Yugoslav agreement of 1949. Casardi promised us memo today substance of which we will telegraph as soon as received.[4]

Yugoslavs request for frontier rectification in Gorizia area not raised with Italians. Bebler gave Murphy a memo on this question which he has given to Embassy in Rome for action.[4] Murphy was under distinct impression that Bebler did not make frontier rectification in Gorizia a condition for Trieste settlement. We concur with Thompson's recommendation that this problem should be in no way connected with Trieste settlement or made a part of it. We therefore propose subject to instructions to bring gist of Yugoslav memo to attention Italian Foreign Office and follow Thompson's suggestion that Italians be asked to agree to discuss this question promptly. We will make it clear however that it is not connected with Trieste settlement.

LUCE

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[4]Not further identified.

E. The Initialing in London, October 5, 1954, of a Memorandum of Understanding Regarding Trieste by Representatives of the United States, Italy, the United Kingdom, and Yugoslavia

No. 283

750G.00/9-2254: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET WASHINGTON, September 22, 1954—7:34 p. m.
PRIORITY

1672. Limit distribution. For Thompson. FOA and Department authorize you (London's 1454[2]) use necessary part of uncommitted portion $20,000,000 previously authorized for assistance Italians to resolve cultural houses problem. Our hope that Italians will still be willing increase their contribution above the 150 to 200 million lire they now prepared make. In any event assume additional US assistance required from uncommitted portion no more than equivalent 350 million lire.

Foregoing decided on basis lack current availability sufficient counterpart Trieste, desire avoid leave such mechanical problems involving US after turnover and wish avoid further negotiating problem with Italians.

Use additional increment FOA funds precludes direct grant to Slovene organizations through AMG and Department considers it preferable contribution come directly from Italians so as obviate US involvement this and other transactions after US/UK withdrawal.

Re quarry and Gorizia frontier problems believe we must do all possible maintain your negotiations on basis broad understanding reached by Murphy in Belgrade. His reports indicate Yugoslavs do not intend insist on either though they may wish take up latter with Italians separate from general Trieste settlement. Importance we already attached to bringing about quick settlement now increased by prospect Italian Foreign Office budget debate about October 4, need anticipate October 8 anniversary and desirability

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[1]Drafted by Freund and cleared with Thurston, Jones, FitzGerald (FOA), and Barbour. Repeated for information to Rome, Belgrade, Paris for Murphy, and USPolAd Trieste.

[2]Telegram 1454, Sept. 22, contained Thompson's request for guidance on what commitments he could make to Italy regarding assistance on funds for the cultural houses. He asked specifically whether part of the 500 million lire could be used for this purpose and whether the United States could undertake to supply these funds directly to the Slovene organizations through the Allied Military Government if necessary. (750G.00/9-2254)

from our viewpoint as well as Italians obtaining settlement by or during nine-power London meeting. Recommend you remind Italian and Yugoslav negotiators as necessary of broad agreements reached by Murphy whenever they insist on territorial points not specifically covered therein.

SMITH

No. 284

750G.00/9-2454 Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET PRIORITY LONDON, September 24, 1954—2 p. m.

1512. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Murphy and Thompson. We called on Brosio and Theodoli this morning. I recounted briefly the efforts made to achieve agreement Belgrade and Rome on the territorial question again emphasizing the interest of President Eisenhower in a prompt settlement. Brosio said he thoroughly agreed. He then referred to the decision taken by his government indicating their choice of a territorial alternative as described in Thompson's telegram 1511 of September 24.[2] He said that he had also been instructed to make a gesture of saying to Velebit that it would be in the interests of future harmonious relations if some small deviation of the line could be made giving the Italians a portion of the rockpile area. I protested to Brosio as vehemently as possible that we had spent days going over this question in Belgrade and we felt after our conversations in Rome that responsible members of his government had informed us definitely that they would accept one or the other of the alternatives which emanated from Bebler's conversation. To reopen this question now would only cause delay and I am convinced result in no profit for either party. Brosio said that he personally agreed with this point of view and I gathered he would communicate with Foreign Office and try to dissuade them from unnecessarily complicating this issue without any visible chance of success.

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[1]Repeated for information to Belgrade, Rome, and Trieste.

[2]In telegram 1511, Thompson described a meeting he and Harrison had with Brosio on Sept. 23 at which Brosio expressed Italian Government willingness to accept the alternative which would give them Lazzaretto and by which Italy would give up the rockpile. However, in order to assist the Italian Government in presenting the settlement to the Italian people, it wished to know if Yugoslavia could allow Italy to keep at least a portion of the rockpile. (750G.00/9-2454)

I just telephoned Wallner in Belgrade urging he see Bebler informing him that we are confident of Italian acceptance of a choice on the territorial issue and also that we are reasonably sure that Yugos will get satisfaction on the lire payment for cultural house. Wallner would then urge Bebler to instruct Velebit to move rapidly on the remaining tag ends so that there will be no undue delay reminding him of Marshal Tito's statement that he desired a prompt settlement which was also voiced by Bebler himself.[3] Thompson and I will see Velebit this noon making a similar effort with him.

ALDRICH

[3]A report regarding Wallner's meeting with Bebler on Sept. 24 was contained in telegram 244 from Belgrade, *infra*.

No. 285

750G.00/9-2454: Telegram

The Chargé in Yugoslavia (Wallner) to the Department of State[1]

TOP SECRET BELGRADE, September 24, 1954—7 p. m.

244. Limit distribution. At Murphy's telephonic request I called on Bebler this morning and informed him:

1. Scelba had agreed to recommend to Cabinet acceptance of one of the territorial alternatives proposed by Murphy. (I did not go into details and Bebler did not mention the quarry.) I explained that Scelba preferred to present agreement to Cabinet with all points agreed and ask them to accept it with one of the territorial alternative.
2. That financial aspect of cultural houses deal could now be settled to satisfaction of Yugoslavia.
3. That it was most important that Velebit receive immediate instructions to conclude with all speed on outstanding main points.

Bebler exuded satisfaction. He says he had just despatched by special courier detailed instructions to Velebit on all outstanding points which would enable him to conclude them. These instructions should arrive in London tomorrow and were conceived "in a broad spirit". He cited as example that Velebit was charged with pressing for frontier demarcation in Gorizia area but was on no account to allow it to hold up overall Trieste settlement. He then said with some emotion that a settlement would open new era for southern Europe. However painful to both parties in points of

[1]Repeated for information to London, Rome, Paris, and Trieste.

detail it would in effect, be a victory for both Yugoslavs and Italians since it would mean removal once and for all of an obstacle to international harmony which the present world could ill afford, and he mused for some minutes on this theme.

It would of course be a mistake to conclude from this that Velebit will agree to settle all outstanding points in Italy's favor, but it does reflect the mood here which is for rapid wind up.

WALLNER

No. 286

750G.00/9-2654: Telegram

The Acting Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET
PRIORITY

WASHINGTON, September 26, 1954—1:23 p. m.

1753. For Thompson. Presence London both Secretary and FonMin Martino offers excellent occasion for announcement of decision on Trieste.[2]

As we see it with the information supplied you by Brosio that Italians will take choice on territorial question of larger wedge without compensation subject to *pro forma* suggestion regarding slight deviation of line in rockpile area (which we do not take seriously), and financial solution of cultural house difficulty, there actually is no important reason for delay in excess of few days in making announcement of agreement. We realize that agreed map must be prepared, the minor school issue settled, and the drafting changes you described to Murphy must be made. We would appreciate firm effort to conclude these while Secretary and Martino are in London, understanding that announcement cannot be made before text of agreement is signed or initialed.

We understand that Velebit will be seeing Kardelj in Brussels on September 28 or 29. We hope that Wallner may be able to stimu-

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[1]Drafted by Murphy and cleared with Frank M. Horton (CWO). Repeated to Rome for Luce, to Belgrade for Wallner, and to Trieste

[2]Dulles was in London Sept. 28–Oct. 3, 1954, to attend the Nine-Power Conference. For documentation regarding this conference, see vol. v, Part 2, pp. 1294 ff. Dulles paid a courtesy call on Foreign Minister Martino on Sept. 27 and the two men briefly discussed Trieste, among other matters. Dulles told Martino that the proposed settlement was in effect the same as the Oct. 8, 1953, U.S.-U.K. announcement and that the Italians could make domestic capital out of it. Martino confirmed that agreement had definitely been reached and that the Italian Government was hoping the announcement could be made on Oct. 5. (Secretary's Memoranda of Conversation, lot 64 D 199, "September 1954")

late Bebler and Kardelj to move rapidly in the direction suggested above and try to meet this timetable. If necessary in that connection Wallner might drop an appropriate hint that we are studying a possible improvement in the wheat offer which would be of advantage to Yugoslavia. He shld also emphasize the forthright manner in which Yugo financial demands regarding cultural house are being met. On this point it is appreciated Italians have not given final word, and we are aware of Italian political considerations involved, but we feel these are not controlling. Wallner's language to Bebler should be couched accordingly.[3]

Naturally whatever Amb Luce might do in urging speed on Itals would be appreciated. It seems to us that Ital Govt position is strengthened as result of confidence vote Saturday[4] to a point where this would be most propitious time for announcement of successful conclusion of Trieste negots. Luce shld urge prompt agreement by Itals on cultural house question now that US is providing necessary funds.[5]

SMITH

[3]In telegram 252 from Belgrade, Sept. 28, Wallner said that Bebler had been in Brioni until that day and in view of Yugoslav assurances and Thompson's progress with Velebit, did not feel further representations at the Foreign Office would have been useful. He also said that mention of a possible improvement in the wheat offer should be made "only if we run into substantive trouble and not for timing alone." (750G.00/9-2854)

[4]Sept. 25.

[5]In telegram 1223 from Rome, Sept. 27, Luce noted that on Sept. 25 she urged Casardi to help speed up the signing of the agreement and that Durbrow made a similar approach that day. Casardi said that under no circumstances would the cultural house problem be permitted to hold up the agreement. (750G.00/9-2754)

No. 287

750G.00/9-2854: Telegram

The United States Political Adviser in Trieste (Sims) to the Department of State[1]

TOP SECRET TRIESTE, September 28, 1954—11 a. m.

90. As settlement now appears imminent I would like submit for Department's consideration following views on future FS representation Trieste as my understanding no final decision yet taken on what type or duration FS operation we should have here after settlement concluded. Admittedly my knowledge this region not seasoned but to best my ability I have endeavored acquaint myself our

[1]Repeated for information to Rome.

position vis-à-vis Trieste. I am aware proposals put forward operate on six-months basis taking look end such period.[2] I am unable understand such strategy for following reasons:

1. We have been intimately connected with Trieste for eight years. It will be principally our diplomatic and financial efforts which will have produced settlement. To curtail drastically our operations on heels settlement would, I believe, be cause for strong Communist elements make rich capital to our detriment this area using theme our disinterest in Trieste. On other hand, there are independentist elements which will blame US for partitioning Trieste, in fact they are doing so already by leveling their attack at Murphy's mission. It is possible new Italian provisional government will endeavor cover any early technical and economic bungling on its part by placing blame on past AMG inefficiency thereby implicating US. Regardless these possible anti-American developments I do not believe we should retreat. Contrariwise we should stand firm.

2. Communists this area number two political outfit and no indication they losing ground. Actually deep diversified public feeling on settlement offers custom situation for Communist objectives. Local Communist leader Vidali well known for his effectiveness and high position Cominform organization this part Europe all of which indicates to me this region in for intensive Communist treatment when AMG departs scene. If one of our main foreign policy objectives is roll back communism at all times all fronts, should Trieste be abandoned by USIS . . . at this juncture, especially in face upcoming Italian elections 55 and uncertain period Trieste Provisional Government?

3. Though we regard settlement permanent, no one can rightly predict what will happen Trieste during provisional period new government. See Scelba's observations penultimate paragraph Rome's telegram 1114 to Department September 20.[3] If our desire bring about new era Italian-Yugoslav friendship, Trieste is focal point for such effort. Italian-Yugoslav relations this area will determine whether the two nations can work together in broader interests European defense. Tito's new policy "normalize" Yugoslav-Soviet relations presents us with an interesting situation in this particular regard due traditional Italian/Yugoslav hate and proximity these mutual antagonists. Will there not be need therefore report on post settlement period enable Department and Embassy Rome take steps when necessary confine Italians and Yugoslavs their obligations under settlement?

4. Aftermath problems our 8 years military occupation such as American-Triestine marriages; dependents who will be left behind; claims against occupation forces; disposition property, et cetera will take more than six months resolve despite efforts small TRUST unit which will remain temporarily after evacuation.

5. Continuation refugee problem.

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[2]These proposals have not been further identified.

[3]Document 280.

In my opinion these factors justify recommendation following program for Department's consideration:

1. Department make firm decision operate FS establishment here for minimum one year with proviso re-examine situation end this period. Minimum State staff should comprise two FSOs, one labor FSR administration office file clerk, combination code clerk steno, two stenos, four locals; USIS to consist of two American officers, one American steno, 22 locals; . . . ; USEP staff remain unchanged, terminate Coast Guard. Year period would enable us formulate and execute proper post settlement program conform to our objectives this region. We now have FS, USIS, . . . and USEP going programs, and it seems unbusinesslike re-establish these elsewhere at this time. Why not capitalize on these going operations and apply labor, USIS . . . coverage from here for northeast Italy . . . .

I can foresee no difficulties prevent us operate here unhindered under new provisional government. Actually I see distinct advantage due our long expensive efforts bring about Trieste settlement for Italians who if they grateful souls should facilitate our objectives. Moreover high exemplary conduct our military forces here over years has won us abundant Triestine good will. Hence we are on excellent footing with majority Italians and majority Triestines. As Italy has strongest Communist party in Europe outside curtain is it in our best interest risk our good position this area by withdrawing our services until reasonable time elapsed enable us properly gauge need our representatives in Trieste?

Substance this message discussed at length with Kenney, Dunham, Harrington and Train. All concur in my views.[4]

SIMS

[4]In telegram 197 to Trieste, Sept. 28, a joint State–USIA message, the Department of State replied that (1) USIA now concurred in the Department's recommendation that no USIS establishment remain in Trieste; (2) that the USEP staff remain unchanged; (3) that the Consulate should perform all regular consular functions plus reporting; and (4) that the Coast Guard establishment should be terminated. The telegram also pointed out that the decision had already been made to maintain the Trieste post for the foreseeable future and that the review after 6 months would pertain only to the size and functions of the establishment. (750G.00/9-2854)

No. 288

750G.00/10-154: Telegram

The Chargé in Yugoslavia (Wallner) to the Department of State[1]

TOP SECRET BELGRADE, October 1, 1954—5 p. m.

257. Following emerged from brief call on Bebler this morning.

1. He confirmed all points covered in London's 1631.[2]

2. Having heard from Velebit that French association with declaration of non-support was not yet assured he had called in French Ambassador and formally requested him to inform his government that Yugoslav Government would welcome such association. I told Bebler that our plans were to approach French to that end tomorrow in London.

3. He confirmed rumors here that Tito would speak in Bosnia-Hercegovina on October 3 on anniversary liberation that republic but doubted that he would refer to Trieste any more than he had in his September 19 speech.

4. Although there will of course be editorial comment in Yugoslav press immediately following publication of agreement (i.e. in morning papers on October 6) official Yugoslav statements will be reserved for following day when Tito will present agreement to special session Federal Executive Council. Tito's October 7 speech will be made public. Bebler did not elaborate on how Yugoslav Government intended to handle public presentation but it occurs to us Tito may have advantage of previous discussion in Italian Parliament and degree to which he emphasizes controversial aspects such as provisionality etc. will take their tone from Italian Government's presentation, parliamentary debate in Rome and Italian press reaction. Bebler merely said to me "we shall not emphasize provisional theme".

5. Yugoslav information is that Russians do not intend to attack agreement. They infer this from negative reply of Soviet counselor here to pointblank question by Yugoslav Russian desk officer. Bebler said he did not think Kremlin would let Togliatti down to extent of supporting agreement but hoped that Russian silence or reserve would mute Togliatti's trumpets and perhaps avoid Cominformist troubles in Trieste. (Department may wish repeat this paragraph to Moscow[3]).

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[1]Repeated for information to London, Rome, Trieste, and Paris.

[2]In telegram 1631, Sept. 30, Thompson reported that Velebit had agreed that the signing take place at 12 p. m., GMT, on Oct. 5. He also said that Yugoslavia insisted upon notifying the Security Council itself and had offered to join in a four-power notification which would be made by the respective representatives at the United Nations. Thompson said that it had been agreed, among other things, that all the documents and letters would be made public except the letter concerning the financial settlement, the letter concerning the amount of money to be provided for the cultural house, and the exchange of letters between the United Kingdom, the United States, and Italy concerning the credit institute. (750G.00/9-3054)

[3]Paragraph 5 was repeated to Moscow in telegram 230, Oct. 2. (750G.00/9-2854)

6. Bebler is now writing article for Sunday editorial of *Borba* October 10 entitled "The New Era" which "will set forth the prospects for future Italo-Yugoslav cooperation as we see them".

WALLNER

No. 289

750G.00/10-254:Telegram

The United States Political Adviser in Trieste (Sims) to the Department of State[1]

TOP SECRET PRIORITY TRIESTE, October 2, 1954—3 p. m.

102. Following is draft plan which British, PolAd and I have prepared for handing over Zone A to Italians. Plan approved by Winterton and Dabney.

"D-Day is day agreement is made public.

"D plus 1 Winterton receives Italian representative at Duino presenting him US/UK Guard of Honor. Only Dabney, British PolAd, Italian PolAd and self to be present this meeting. Press poll to be present conclusion meeting.

"D plus 2 staff delegation goes to Udine to discuss details of handover. Delegation to consist of Chiefs of Staff of Britain and US military forces and representatives of AMG and the Venezia Giulia Police Force, with one observer each from Political Advisers' Offices.

"D plus 4 Italian military reconnaissance parties of 20 individuals, in plain clothes, enter Zone A. Approximately 15 police officers in plain clothes enter Zone A to start study of VG police organization.

"D plus 6 certain extra Italian civil servants arrive, and will be employed in existing Italian offices in AMG.

"D plus 11 further Italian police officers, not exceeding ten, in plain clothes, enter Zone to continue talks on detailed arrangements for taking over responsibility for Venezia Giulia Police Force.

"D plus 19 Italian military advance parties, limited to 200, arrive in plain clothes, and start arrangements for taking over of barrack accommodations.

"D plus 21 main bodies of Italian military forces arrive, passing block post or entering port, from 0700 hours. Formal handover, details of which will be formulated at staff talks, will take place later same day".[2]

SIMS

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[1]Repeated for information to London, Rome, and Belgrade.

[2]In telegram 178 to Trieste, Oct. 3, the Department of State concurred in the draft plan for turning over Zone A to Italy, except that, as established in previous U.K.-U.S. Chiefs of Staff instructions to Winterton, the Italian military advance parties, at D plus 19, were to be in uniform. (750G.00/10-254)

No. 290

750G.00/10-254: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET PRIORITY LONDON, October 2, 1954—2 p. m.

1680. Limit distribution. Pass Defense for Hensel and Lemnitzer. From Thompson. Re Deptel 1870, October 1.[2]

Although exchange of letters on hand-over will be made public by British, Italians and ourselves, continue feel strongly this should not be transmitted to UN. If Department considers this must be done it should be transmitted by US and UK separately from the four-power report. Yugoslavs have never seen text but were told we intended to make such arrangements.

We believe that it would be inappropriate for British and ourselves to release the public bilateral exchanges between the Italians and the Yugoslavs and that this should be left to them. They should also not be included in report to UN.

The official map will not show the Morgan Line except where this forms part of the new boundary. British have included the whole Morgan Line on their publicity map and believe we can include or omit as Department desires.

Department's understanding on documents being made public is correct subject to foregoing.

ALDRICH

[1] Repeated for information to Rome, Belgrade, and Trieste.

[2] In telegram 1870, the Department of State noted which documents would be made public on Oct. 5 and stated the assumption that these documents would be transmitted to the Security Council. (750G.00/10-154)

No. 291

750G.00/10-454

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Barbour) to the Deputy Under Secretary of State (Murphy)

TOP SECRET [WASHINGTON,] October 4, 1954.

Subject: Trieste—Briefing of U.S. Press

I suggest that your briefing of the U.S. Press at 9:30 a.m., October 5,[1] be rather short and general and that you leave some time for questions. While you are talking the press boys will of course be trying to get the highlights of the communiqué and the text[2] which will be in their hands.

You might refer to our determination to help achieve an arrangement that both Italy and Yugoslavia could agree to and live with; and how the negotiations which have just concluded began in London on February 2. (At this point you might say as an aside that not only the Italian and Yugoslav Governments agreed in advance to the London negotiations but also the French Government, which has already been informed of the result.)

You might explain that the negotiations were too complex for you to go into any detail about them and add that today's result represents concessions on both sides which demonstrate the statesmanship of both the Yugoslav and Italian Governments. You might read the following from Thompson's original instructions, dated January 28, and signed by General Smith as Acting Secretary:[3] ". . . [4] we believe that the United States–United Kingdom should make clear at the outset that they are not thinking in terms of a local settlement or even of Italo-Yugoslav relations alone, but rather of the political, military, and economic health of a key area which will have great significance for all of the free world." You might conclude by saying that the farsightedness and moderation that has been shown by the Yugoslav and Italian Governments entitles us to believe that these hopes are now on the threshold of fulfillment.

Cautions:

You will be asked some tough questions, of which the following are likely examples:

1. Whether there are any secret protocols or agreements. Thompson suggests, and I concur, that "we state that the agreement contains no secret protocols although in the course of the negotiations certain assurances and interpretations were agreed upon." You might add that this is standard in all agreements that involve as much detailed negotiations as this has, and that there is nothing dramatic or out of the ordinary in any of the assurances and interpretations that have been exchanged. (*Note*: The exchanges on rep-

[1]No record of Murphy's press briefing has been found in Department of State files.

[2]For texts of the communiqué and the memorandum of understanding, see Document 293.

[3]Document 165.

[4]Ellipsis in the source text.

arations and credit institutis and the amount of money for a cultural house are secret.)

2. You may be asked abt the details of the negotiations and various positions that may ve been taken by each side. I suggest you refuse to discuss anyth about the course of the negotiations except to say that they wer xtremely complex.

3. In this connection you nay be asked about your trip, and I suggest you confine yourse to saying that you did of course discuss the negotiations, as we as many other things, with both Marshal Tito and Premier Scel, but that the discussions were confidential and all you can say out them is that both showed a thoroughly farsighted and state anlike attitude.

4. You may be asked abt the "declaration of non-support". I suggest you confine yourse to saying that the declaration speaks for itself, and that if aske you refuse to discuss the finality or provisionality of the agreent, beyond saying you feel sure both parties will abide by it.

5. There may be some eft to emphasize that Italy has lost territorially from October 8, a that Yugoslavia has gained some territory in excess of Zone B, ithout giving up any. You might say that the area is so small it you do not consider the difference worth mentioning, and bea own hard on the proposition that this has been a negotiation in w h both sides have won.

6. If asked about the Sot attitude you might point out that they tried to prevent the rrying out of the terms of the Peace Treaty setting up the Free erritory, and that they will no doubt object to any agreement w h strengthens the unity of the West. You might add that though ey have accused the US–UK of maintaining a military base in ieste, and though our complete withdrawal exposes their hypo y, you doubt they will be much embarrassed.

(*Note:* A glance at the m s at pages 98–103, and 134–141 in the *Atlas of European History*, rewith,[5] may be helpful in answering any historical questions.)

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[5]Not printed.

No. 292

750G.00/10-454: Telegram

The United States Political Adviser in Trieste (Sims) to the Department of State[1]

TOP SECRET PRIORITY TRIESTE, October 4, 1954—4 p. m.

115. Evacuation VG police (London's 1688 to Department October 2[2]) was first planned by British one year ago since they control administrative police force. I have always assumed London fully informed delicate nature this operation but apparently not. Seems necessary now I point out forcefully:

1. These police are as yet unaware they will be given opportunity leave Trieste. We not certain how many of fifty will accept offer, therefore planning must be made accommodate entire group. Last minute notification to fifty police required to maintain best morale possible police force and forestall other requests for asylum. This will be especially important if we have disturbances in Trieste (since we will depend greatly on VG force as our own troops will move on).
2. Should be emphasized that this operation of sudden (our 84[3]) uprooting homes, severing family ties involving move distant strange land loaded with fervent Latin emotionalism. Hence, separation families during sea lift strictly undesirable (London's reference telegram).
3. Does Brosio's assurance reference Italian blacklist (London's reference telegram) mean Italians already informed we planning this move? To coordinate this operation with Italians either here or Rome would, I fear, present danger Italian leak to local police with possible consequent break down morale of force.

I urge and General Dabney agrees wholeheartedly that plan outlined Rome telegram 1311 to Department October 3[4] be implemented lift these people Trieste-Malta. Department should immediately obtain assurances from British Government London for entry of group at Malta.

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[1]Also sent to London and repeated for information to Rome.

[2]In telegram 1688, Thompson said that the British Chiefs had decided that the British Navy should not undertake the full task of evacuating the VG police, because of heavy demands for Suez Canal Zone evacuation and because it was impossible for the proper craft to arrive on the scene on short notice. The British Navy was prepared to evacuate the men, and if the U.S. Navy could evacuate the wives and children to a place like Malta where they could rejoin their husbands, Winterton's objections to separating the families would be overcome. (750G.00/10-254)

[3]This is an erroneous reference. Telegram 84 from Trieste does not deal with the subject indicated here.

[4]In telegram 1311, Luce wrote that it was her understanding that the U.S. Navy might have craft available for the evacuation of VG police and families to Malta. She also said that she preferred this procedure to the British plan of overland evacuation. (750G.00/10-354)

Present plans call for advising fifty police on D plus 16 which will be October 21. Suggest Navy vessel arrive D plus 18 which will be October 23 at about 12 noon and sail at 5 p.m. same day. These plans subject to change which will be promptly reported.

British police officer will accompany group.

SIMS

No. 293

Editorial Note

Following some minor changes in the wording of the various documents under discussion by the negotiators in London, the Department of State released the following announcement at 10 a.m., E.S.T., October 5:

"At noon today in London a Memorandum of Understanding on Trieste was initialed by representatives of the Governments of the United States, the United Kingdom, Italy and Yugoslavia. Llewellyn E. Thompson, United States Ambassador to Austria, initialed the Memorandum of Understanding for the United States and Mr. Geoffrey Harrison, Assistant Under-Secretary of State in the British Foreign Office, initialed for the United Kingdom. The Ambassadors of Italy and Yugoslavia in London, Signor Manlio Brosio and Dr. Vladimir Velebit, initialed the document for their two Governments. The text of the Memorandum of Understanding is being communicated to the Security Council of the United Nations.

"Today's initialing came as a successful conclusion to conversations among the four Governments which have been carried on for eight months in an endeavor to work out arrangements for the Free Territory of Trieste which would be acceptable to the Governments of Italy and Yugoslavia. The United States Government welcomes the understanding reached today which it believes will lead to improved relations and closer cooperation between Italy and Yugoslavia. The United States Government takes this opportunity to declare it will give no support to claims of either Yugoslavia or Italy to territory under the sovereignty or administration of the other. The United States Government is confident that it will be possible for the two countries to resolve any outstanding problems by friendly negotiations in a spirit of mutual understanding.

"Arrangements are being made for the early termination of Allied Military Government, the withdrawal of American and British forces from the area under their occupation and the assumption by Italy and Yugoslavia of responsibility in the areas as defined by the agreement initialed today." (Department of State *Bulletin*, October 18, 1954, page 555)

Also released at this time was the following text of the Memorandum of Understanding between the Governments of Italy, the United States, the United Kingdom, and Yugoslavia regarding the

Free Territory of Trieste (printed in Department of State *Bulletin*, October 18, 1954, pages 556–558):

"1. Owing to the fact that it has proved impossible to put into effect the provisions of the Italian Peace Treaty relating to the Free Territory of Trieste, the Governments of the United Kingdom, the United States and Yugoslavia have maintained since the end of the war military occupation and government in Zones A and B of the Territory. When the Treaty was signed, it was never intended that these responsibilities should be other than temporary and the Governments of Italy, the United Kingdom, the United States and Yugoslavia, as the countries principally concerned, have recently consulted together in order to consider how best to bring the present unsatisfactory situation to an end. As a result they have agreed upon the following practical arrangements.

"2. As soon as this Memorandum of Understanding has been initialed and the boundary adjustments provided by it have been carried out, the Governments of the United Kingdom, the United States and Yugoslavia will terminate military government in Zones A and B of the Territory. The Governments of the United Kingdom and the United States will withdraw their military forces from the area north of the new boundary and will relinquish the administration of that area to the Italian Government. The Italian and Yugoslav Governments will forthwith extend their civil administration over the area for which they will have responsibility.

"3. The boundary adjustments referred to in paragraph 2 will be carried out in accordance with the map at Annex I. A preliminary demarcation will be carried out by representatives of Allied Military Government and Yugoslav Military Government as soon as this Memorandum of Understanding has been initialled and in any event within three weeks from the date of initialling. The Italian and Yugoslav Governments will immediately appoint a Boundary Commission to effect a more precise demarcation of the boundary in accordance with the map at Annex I.

"4. The Italian and Yugoslav Governments agree to enforce the Special Statute contained in Annex II.

"5. The Italian Government undertakes to maintain the Free Port at Trieste in general accordance with the provisions of Articles 1–20 of Annex VIII of the Italian Peace Treaty.

"6. The Italian and Yugoslav Governments agree that they will not undertake any legal or administrative action to prosecute or discriminate against the person or property of any resident of the areas coming under their civil administration in accordance with this Memorandum of Understanding for past political activities in connexion with the solution of the problem of the Free Territory of Trieste.

"7. The Italian and Yugoslav Governments agree to enter into negotiations within a period of two months from the date of initialling of this Memorandum of Understanding with a view to concluding promptly an agreement regulating local border traffic, including facilities for the movement of the residents of border areas by land and by sea over the boundary for normal commercial and other activities and for transport and communications. This agreement shall cover Trieste and the area bordering it. Pending the

conclusion of such agreement, the competent authorities will take, each within their respective competence, appropriate measures in order to facilitate local border traffic.

"8. For a period of one year from the date of initialling of this Memorandum of Understanding persons formerly resident ('pertinenti'-'zavičajni') in the areas coming under the civil administration either of Italy or of Yugoslavia shall be free to return immediately thereto. Any persons so returning, as also any such who have already returned, shall enjoy the same rights as the other residents of these areas. Their properties and assets shall be at their disposal, in accordance with existing law, unless disposed of by them in the meantime. For a period of two years from the date of initialling of this Memorandum of Understanding, persons formerly resident in either of these areas and who do not intend returning thereto, and persons presently resident in either area who decide within one year from the date of initialling of this Memorandum of Understanding to give up such residence, shall be permitted to remove their movable property and transfer their funds. No export or import duties or any other tax will be imposed in connexion with the moving of such property. Persons wherever resident who decide to sell their movable and immovable property within two years from the date of initialling of this Memorandum of Understanding will have the sums realised from the sale of such property deposited in special accounts with the National Banks of Italy or Yugoslavia. Any balance between these two accounts will be liquidated by the two Governments at the end of the two year period. Without prejudice to the immediate implementation of the provisions of this paragraph the Italian and Yugoslav Governments undertake to conclude a detailed agreement within six months of the date of initialling of this Memorandum of Understanding.

"9. This Memorandum of Understanding will be communicated to the Security Council of the United Nations.

"LONDON, the 5th of October, 1954.

MANLIO BROSIO
GEOFFREY W. HARRISON
LLEWELLYN E. THOMPSON
DR. VLADIMIR VELEBIT"

The map at Annex I, cited in paragraph 3, is not printed here and was not printed in the Department of State *Bulletin*. A copy of Annex I is in file 750G.00/10–554. Annex II, cited in paragraph 4, is not printed, but see Department of State *Bulletin*, October 18, 1954, pages 558–561. This Memorandum of Understanding was transmitted to the President of the Security Council on October 5 and circulated as U.N. document 8/3301.

Also made public on October 5 were the texts of identical letters which Thompson and Harrison addressed to Brosio, asking the Italian Government to designate a representative to meet at an early date with General Winterton to formulate arrangements for the transfer of military and administrative authority in Zone A to Italy

which, it was hoped, would be carried out within one month. In his identical letters of reply to Thompson and Harrison, also dated October 5, Brosio said that the Italian Government had designated General Edmondo de Renzi as its representative to conduct the talks with Winterton. The texts of these letters are printed in Department of State *Bulletin*, October 18, 1954, pages 555–556. A statement by Secretary Dulles, dated October 5, regarding the Trieste agreement, is *ibid.*, page 556.

In addition to those parts of the agreement which were made public, there were several confidential parts not made known at the time: (1) an exchange of letters, dated October 4, between Harrison and Thompson, on the one hand, and Brosio, on the other, whereby the Italian Government said that it was prepared to approve the establishment in Trieste of a Slovene credit institution and (2) an exchange of several letters, dated October 5, between Brosio and Velebit, whereby (a) the Italian and Yugoslav Governments agreed to an early meeting with other interested governments to discuss the use of the Free Port; (b) they agreed to negotiate and to conclude within two months a claims agreement; (c) the Italian Government agreed to provide cultural homes for Slovenes in Zone A, furnishing 500 million lire for this purpose; and (d) the Italian Government agreed to the establishment of a Yugoslav Consulate in Trieste and the Yugoslav Government agreed to the establishment of an Italian Consulate in Koper. The texts of all these letters, except for Velebit's reply to Brosio regarding the meeting on the Free Port issue, were transmitted to the Department of State as attachments to despatch 971 from London, October 6. (750G.00/10-654)

No. 294

750G.00/10-654: Telegram

The Chargé in the United Kingdom (Butterworth) to the Department of State[1]

SECRET LONDON, October 6, 1954—5 p. m.

1764. From Thompson. There follows list of oral assurances given by Italians and Yugoslavs in connection with negotiations Trieste memorandum of understanding as we and British understand them.

1. By the Italians:

[1]Repeated for information to Belgrade, Rome, and Trieste.

a. They will give special consideration to certain former inhabitants of Sezana area now resident Trieste whose citizenship changed from Italian to Yugoslav by virtue of peace treaty and who Yugoslavs fear may be expelled or denied certain civil rights by Italians.

b. Recent Italian law which appears discriminate against persons Zone A who have shown themselves to be anti-Italian will be brought into line with relevant article memorandum of understanding either through application or revision of law.

c. Italians take note of Yugoslav desire extend border traffic arrangements along Italian-Yugoslav frontier specifically in neighborhood Gorizia.

d. Italians will consider quarry border rectification near Monrupino in connection with attempts settlement outstanding border demarcation questions Gorizia area. This may be combined with preceding point.

e. Italians take note of Yugoslav hope in connection with Article 2(F) of special statute that Italian laws relating to disabled veterans will be interpreted liberally and provision made if necessary reopen registration.

f. Italian observer on AMG group for provisional demarcation will be member AMG staff.

2. By Yugoslavs:

a. Border traffic agreement extends to inhabitants down to and including community of Buie.

b. In connection with financial settlement Yugoslavs will make no difficulty about allocation by Italians of total payment among various claimants.

c. Yugoslavs will give publicity to one year's grace in which inhabitants may change homes, with a view prevent mass exodus.

d. Yugoslavs take note to Italian hope that branch offices in Zone B of Cassa di Risparmio will be left undisturbed as they are now.

e. There will be present on AMG group participating in provisional boundary demarcation Italian observer who is member AMG staff.

BUTTERWORTH

No. 295

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 216th Meeting of the National Security Council, Washington, October 6, 1954[1]

TOP SECRET EYES ONLY

Present at the 216th meeting of the Council were the Secretary of State, presiding; the Secretary of Defense; the Director, Foreign

[1]Prepared by Gleason on Oct. 6.

Operations Administration; and the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General (for Item 4); the Director, Bureau of the Budget; the Secretary of the Army; the Secretary of the Navy; the Secretary of the Air Force; the Chairman, Joint Chiefs of Staff; the Chief of Staff, U.S. Army; Admiral Duncan for the Chief of Naval Operations; the Chief of Staff, U.S. Air Force; General Twining for the Commandant, U.S. Marine Corps; the Director of Central Intelligence; the Assistant to the President; Robert Cutler, Special Assistant to the President; Robert R. Bowie, Department of State; the Executive Secretary, NSC; the Deputy Executive Secretary, NSC; the Coordinator, NSC Planning Board Assistants.

Following is a summary of the discussion at the meeting and the main points taken.

[Here follows discussion of matters unrelated to Trieste.]

8. Redeployment of United States Forces in Trieste (NSC Action No. 1203[2])

Secretary Wilson said that Deputy Secretary Anderson has suggested that the U.S. units now in Trieste be sent back to the United States, but that most of the men in those units might be sent to Austria as reinforcements.

Secretary Wilson expressed the opinion that the Trieste settlement has strengthened our position in Europe. He felt that we should not set a precedent of making up with U.S. forces for British and French withdrawals from Austria. Moreover, reinforcing Austria with our Trieste forces would be out of spirit with the current European situation. In any case, one additional regiment is not enough to hold Austria, but once it is sent it will be hard to withdraw.

Secretary Wilson pointed out that the cost of maintaining U.S. forces in Europe is two to three times the cost of allied forces. Redeployment of Trieste units to Austria would require more dependents in Austria and a bigger investment there, including housing. He understands the military point of view of the Joint Chiefs of Staff, but thinks that the decision as to redeployment of our Trieste forces depends primarily on what the Secretary of State thinks should be done from the political viewpoint.

At Secretary Dulles' request, General Ridgway said that the use of the Trieste forces, even though small, would give a much better chance of defending the key terrain north of the Italian frontier. There would then be a high probability of retaining the mountain passes in Austria. The Trieste regiment would constitute one-third

[2]See Document 236.

of a proposed new U.S. division in Europe, one-third of which is already in Austria.

General Ridgway pointed out that the President has recently approved a new plan for the rotation of U.S. divisions overseas, under which career soldiers will serve about 50% of their time outside the United States. They must have their dependents with them or morale and enlistments will suffer.

Secretary Wilson said that he wants the men to have their dependents with them, but doesn't want to go to Congress for additional housing in Austria.

Secretary Dulles thought that, on the military assessment of General Ridgway, the President is the best judge. In general, however, the problem of ever getting our troops out of Europe grows tremendously difficult. The Trieste troops may be redeployed to the United States without such political difficulties. If they are sent elsewhere, however, we may never get them out. Because the risk of war in Europe does not appear imminent, Secretary Dulles felt that it would be better to get our Trieste forces back to the United States.

Secretaries Dulles and Humphrey believed that this was a question the President will have to decide on the basis of the military requirement for our Trieste forces in Austria.

The National Security Council:

Discussed the subject in the light of the Trieste settlement, and requested that the discussion be reported to the President for his information.

Note: The President, after considering the above-mentioned discussion, directed the Secretary of Defense to proceed with the temporary redeployment of U.S. forces in Trieste to Leghorn, Italy, pursuant to NSC Action No. 1203, pending a final decision as to their ultimate redeployment after the President can discuss the matter further with the interested officials.

[Here follows discussion of a matter unrelated to Trieste.]

S. EVERETT GLEASON

No. 296

750G.00/10-654: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

SECRET PRIORITY ROME, October 6, 1954—7 p. m.

1376. Department pass Defense. At 11:30 this morning I presented text President's letter (Department telegram 1152[2]) to President Einaudi. He expressed personal gratitude and appreciation and asked me to convey to the President Italy's thanks for US efforts in helping resolve Trieste question. He said solution was compromise but nevertheless he was happy Italian statesmanship had courage to make this necessary compromise. He felt solution was being well received by Italian public opinion. Foreign Minister Martino, who was also present, said people of Trieste had given every evidence of satisfaction yesterday and today and fact that Zone A was finally under Italian control had offset other unfavorable considerations.

After extending US appreciation for wise counsel we know President Einaudi had given in the matter I went on to say that we hoped it would open the door to fuller collaboration in US-Italian relations. I added in this respect that I found myself momentarily in an embarrassing situation concerning the facilities negotiations. I said that we had received messages at the Embassy indicating that the Secretary and other American officials had taken Prime Minister Scelba's statement regarding signing the facilities agreement within twenty-four hours after signing of the Trieste agreement quite literally, that we here in Rome appreciated the fact that the Italian Government was still deeply involved in the Trieste debate in the Senate and in the Parliament and in the passage of the foreign affairs budget. I added that I did not know how Scelba felt about the matter although I expected him to let me know tomorrow when we have an appointment. Martino answered that Scelba had already spoken to him about the question indicating that he was prepared to honor his word at once if the US insisted but that there was danger of leaks during the debate on Trieste and on the foreign affairs budget which might seriously embarrass the Government. Notwithstanding he was prepared to sign the facilities agreement immediately if that was what Secretary Dulles expected.

I suggested that the best way for all concerned now that the documents were entirely in order was for Scelba himself to fix a convenient date in the near future for the signing. Martino then vol-

[1]Repeated for information to Paris for CINCEUR and Satterthwaite.
[2]Dated Oct. 5, not printed. (750G.00/10-554)

unteered that an agreeable date would be October 18, 19 or 20, after the debate was over and I said that I could see no reason at this moment why this would not be agreeable.

Overlapping and subsequent to my meeting with Einaudi and Martino, members Embassy negotiating team met with Foreign Office representatives for purpose finalizing all documents. During this session Magistrati received instructions direct from Scelba to complete and "freeze" all documents immediately, have them all printed up in final form without further delay and be prepared for signing on shortest notice. Magistrati informed Scelba that administrative problems would delay final preparation of all documents until afternoon October 8, but that signing could take place any time thereafter. Embassy representatives also learned that Scelba intended call meeting Council of Ministers on October 11 to discuss schedule for concluding facilities agreement and that possibility existed that Scelba might set signing date for October 12—i.e., after Senate debate on Trieste and foreign affairs budget but prior to Chamber debate. This info may well have postdated Martino's suggestion of October 18–20, but point not altogether clear.

It is my belief that the Italian fears of possible leaks during forthcoming parliamentary debate are extremely well-grounded and that it would therefore be unwise for us to insist on immediate fulfillment of Scelba's prior assurances. Must be borne in mind that leak during debate suggesting possible deal of Trieste for facilities might be very damaging.

Since I am seeing Scelba at 11:00 GMT tomorrow (October 7), I shall proceed upon assumption any of aforementioned dates will be agreeable to US if Scelba makes it firm.[3]

LUCE

[3]In telegram EC 9-4232 from USCINCEUR to the Department of State, Oct. 8, it was stated that each day of delay in concluding the facilities agreement beyond the promised 24-hour period after the Trieste settlement could endanger the ultimate signature. The Department was asked to discuss with Luce USCINCEUR's belief that it might be better to sign the facilities agreement immediately rather than wait until after the parliamentary debate. (750G.00/10-854)

No. 297

750G.00/10-754: Telegram

The Ambassador in Italy (Luce) to the Department of State

TOP SECRET ROME, October 7, 1954—6 p. m.

1399. Paid call on Prime Minister today to express extreme pleasure of President and Secretary for Scelba's acceptance and presen-

tation of the Trieste solution, expanding on now familiar theme of opportunity it provides Italy for new era of European and Mediterranean cooperation and U.S. confidence that Italian statesmanship will fully realize opportunity. President Scelba responded warmly praising efforts of U.S. negotiators in London and then asking me to extend his most special thanks to President, Secretary, and Mr. Murphy whose mission had brought off the conclusion at the "psychological moment." He said Trieste is great weight off Government's shoulders, and this combined with successful outcome of London conference have cleared the way for much future progress in Italian foreign relations. He then brought up facilities agreement saying all documents were now in order and that he personally was prepared to sign on 12th (see Embtel 1376, Oct. 6, 1954[1]), but Foreign Minister Martino preferred 18th or 19th when debate on Government action on Trieste and on London conference will be concluded. Smallest leak even speculation about facilities agreement during debate would open Government to opposition charge it had signed as "price of Trieste" or under pressure at London. He said he would nevertheless discuss matter with Martino again and would let me know shortly exact date of signing which would in any event be no later than 19th.

I then told him of Deputy Secretary Anderson's stay in Rome from 10th to 15th, suggesting that if it were possible to sign during Secretary's visit this might be a matter of great satisfaction to the Secretary and would permit of some useful conversations. He repeated his own willingness to sign but reiterated the danger of a leak and I replied that while I did not believe the danger was great I felt certain my Government would be glad to abide by his best judgment. Interview ended with Scelba radiating confidence and smiles for first time.[2]

LUCE

[1] *Supra.*

[2] The military facilities agreement was signed in Rome on Oct. 20.

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750G.00/10–854

Memorandum by the Assistt Secretary of State for European Affairs (Merchant) the Secretary of State[1]

TOP SECRET [WASHINGTON,] October 8, 1954.

Further to the brief discusn in your car yesterday with you and Mr. Murphy on the queon of the deployment of the U.S. forces coming out of Trieste, would like to reiterate my opinion that the withdrawal of any U forces from Europe prior to completion of ratification by Franof the London agreements will run the serious risk of being used French opponents to rearmament in a fashion adverse to our inests. I think it will provide ammunition for those who claim thour only interest in rearming Germany is to permit the withdral of all U.S. forces from the continent and that the British wontay very long after we leave.

There is a problem which mbassador Luce has emphasized in keeping these forces very lonn Leghorn. This fact, coupled with the fact that it will be severaonths at best before French ratification is completed would argfor using Leghorn as a purely temporary staging point and mog on as rapidly as possible elsewhere in Europe. I still recmend that they be added to our forces in Austria.

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[1]Merchant routed this memoram to the Secretary through Murphy, who typed in the following remarks at tbttom of the source text: "This of course is a matter of opinion. Mine is that withwal of these U.S. troops will have either no effect on French parliamentary attie toward the London agreement or it might even stimulate support for it. Thereno evidence of French public interest in the disposition of these troops. They do seem to be connected in French opinion with the U.S. forces now in Germany aAustria." Merchant also sent a copy of the memorandum to Jones.

No. 299

760G.00/10-1454: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State

CONFIDENTIAL Moscow, October 14, 1954—6 p. m.

546. Pass USUN. Text of Vishinsky letter to Security Council concerning Trieste[1] appeared in all Moscow papers October 12 without comment.

Soviet Government's desire not to take sides in matter or jeopardize its current efforts to "normalize" relations with Yugoslavia were probably contributory factors in decision merely to take note of settlement. In view of its public attitude re necessity for "easing of international tensions through negotiations" it probably also appeared undesirable for Soviet Government (by insisting on its rights as Italian peace treaty signatory) to put itself in position of opposing peaceful settlement reached by negotiation between two parties principally concerned.

Move is, of course, at some variance with action which Soviet Government took last year in bringing Trieste dispute before Security Council.[2] Even at that time, however, Soviets did not follow up initial introduction of question into Security Council very energetically and, in general, handled matter in way which suggested to us that Vishinsky might possibly through some mix-up in instructions have gone somewhat further than Soviet Government desired in demanding Security Council consideration of dispute. Caution Soviets displayed at that time on Trieste issue presumably reflected one or more of same considerations dictating their present attitude, although it appears probable that these factors seem to Soviets even more cogent considerations today than they did at that time.

BOHLEN

[1]Not printed.

[2]Reference is to the Soviet Government's action taken after the announcement by the United States and the United Kingdom on Oct. 8, 1953, that they intended to transfer administration of Zone A to Italy.

No. 300

750G.00/10–1554: Telegram

The United States Representative at the United Nations (Lodge) to the Department of State

CONFIDENTIAL
PRIORITY

NEW YORK, October 15, 1954—8 p. m.

262. Re Trieste in SC. Brilej (Yugoslav), at his request, spoke with USDel regarding tactics in SC on Trieste. His govt suggests meeting of SC to approve Trieste agreement and decision to remove from agenda of SC question of appointment of a governor FTT. Motivation for three suggestions is to test extent of Soviet "new conciliatory attitude" and to facilitate further improvement Italo-Yugoslav relations.

Upon inquiry he stated categorically that he had in mind a resolution approving Trieste agreement and also expected Yugoslavia and Italians to speak in SC.

He overrode suggestion that developments arising from SC discussion of this matter might hinder rather than help improvement Italo-Yugoslav relations, in apparent assurance that the Soviets could hardly afford, in present circumstances, to raise serious objections to further affirmation of settlement reached. Likewise he was not of the opinion that approval of the agreement would be sufficient action, having in mind that removal of the governor's appointment question would provide some measure of denial to the Soviets of opportunities for disruptive SC action in the future. It was pointed out to him that the "question of the FTT" would remain on the agenda of the SC.

Brief reference by Brilej to the temporary nature of the Trieste agreement provided only further confirmation USDel impression that the present suggestion is motivated by Yugoslav intent to make more permanent, in a formal fashion, the agreements reached.

Brilej stated that he is approaching US alone at this time with his govt's suggestion and will not consult with other interested parties until he has learned our reaction. We said we would inform Dept and expressed hope that we would advise him further next Monday. Request instructions.

LODGE

No. 301

750G.00/10–1954: Telegram

The Secretary of State to the United States Delegation at the United Nations[1]

SECRET WASHINGTON, October 19, 1954—7:26 p. m.

211. Department's reaction unfavorable to Brilej proposal SC be asked take formal action on Trieste agreement.[2] While SC approval might give settlement color of UN moral and political authority we believe it would involve great risk undesirable political repercussions without achieving definitive change in legal status of area. Believe we have done all that is necessary or desirable at present by keeping SC fully informed. As stated Deptel 389 to Belgrade[3] question timing and nature of further report and any possible subsequent steps in SC can be considered later.

In our view Soviet letter of October 12 to SC,[4] whatever its motivation, already places definitely on record approval of settlement by country from whom objections were to be expected. We question advisability further testing quality of that approval by contemplated SC action which might involve other disadvantages referred to above.

Please convey foregoing view to Yugoslav Del, and in your discretion Italian and UK Dels.

FYI Italian Embassy has raised matter with Dept taking same line as Guidotti, fearing move now would be premature switch from current Italian Government line that settlement is provisional. We have, in response Italian Embassy inquiry, given them gist

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[1]Drafted by Mangano and cleared with Ward P. Allen, Barbour, Thurston, Yingling (L/EUR), and Key (IO). Repeated to Belgrade and London and pouched to Paris, Rome, and Moscow.

[2]Reference is to the proposal Brilej made on Oct. 15 to the U.S. Delegation and described in telegram 262, *supra*.

[3]In telegram 389, Oct. 16, the Department of State reported that it had no intention of seeking or stimulating Security Council consideration of Trieste. In answer to a query Bebler had made to Wallner on Oct. 13 as to whether the absence of discussion or debate in the Security Council for a period of time following the Council's notification regarding the settlement would amount to the Council's acceptance of the settlement, the Department said that this interpretation appeared rather far-reaching and probably unwise as a possible precedent. Rather than put forward such an interpretation in a presentation to the Yugoslav Parliament on Oct. 20, as Bebler had considered doing, the Department suggested that Bebler focus on the attitudes toward the settlement of the permanent members of the Security Council concerned, as distinguished from the Council itself.

[4]See Document 299.

foregoing position.[5] Dept now has USUN's 266 re latest talk with Brilej.[6] End FYI.

DULLES

[5]Not further identified.
[6]Not printed.

No. 302

750G.00/10-2654. Telegram

The United States Political Adviser in Trieste (Sims) to the Department of State[1]

SECRET NIACT TRIESTE, October 26, 1954—2 p. m.

177. British American Military Government of Trieste ended this morning at 10 a.m. when General Derenzi entered Trieste and assumed control of the new territory.

The scheduled farewell ceremonies including British, American and Italian military parade and honor guards, were cancelled by Winterton because of rain and high winds not bora[2] which Winterton claimed made it necessary for British aircraft carrier to sail at 11 a.m. with last British troop contingent. General Dabney and I used our level best persuasion on Winterton not to cancel parade despite inclement weather, but to no avail. Dabney even offered embark British parade troops on American transport which was standing nearer to parade center, should British aircraft carrier be forced by adverse wind conditions to sail prior ceremonies. Winterton declined all pleas. In final effort I personally obtained promise from Winterton to appear with Dabney and meet Derenzi without parade and military honors. In meantime Winterton had sent word to Derenzi at border that parade had been cancelled. Dabney proceeded to designated place to meet Winterton and Derenzi. Shortly after arrival there, we received word from Winterton on board British destroyer that Italian police had informed him he could not get through crowds and advised him against proceeding to meeting. Italian officer assigned to escort Winterton to meeting reported to Dabney's staff officers later that he personally assured Winterton that he could move through streets in auto and strongly urged him accept Italian police escort. This Italian officer reported Winterton flatly refused. Derenzi, having been informed by Winterton of cancellation ceremonies, proceeded to another place, unaware that

[1]Repeated for information to Rome, London, and Belgrade.
[2]A violent storm.

Dabney awaited him. When Derenzi did learn true facts he telephoned regrets to Dabney. Winterton sailed 11 a.m. without coming ashore after boarding vessel yesterday.

I must report that Dabney and I had steep uphill struggle past three weeks to convince Winterton it was necessary he participate in farewell ceremony and that he should leave Trieste in dignified manner. At one stage Winterton made up his mind take no active part in final day ceremony. We were successful in persuading him change mind and ceremonial plans were made accordingly. It must be pointed out Winterton has long suffered from fear of threats on his life and this fear has increased in recent weeks as the final days drew nearer. All of us were fully aware his deep concern this regard and all plans for today were made to provide maximum security for him. I must also report that widespread anti-British feeling on part populace was another factor which undoubtedly influenced Winterton's actions and small scale jeering demonstration did take place at dock when one British destroyer sailed. Despite the danger of an assassin's attack on him and local anti-British feeling, Dabney and I regard Winterton's action as inexcusable and definitely destructive to our objective of troops leaving Trieste in best manner possible.

Fortunately the key Italian officials present were able to observe good intention on Dabney's part carry out program and I fear severe adverse publicity will be directed at Winterton. I believe this publicity will take form of criticism against Winterton as individual, rather than as principal allied representative.

I should like to report that Dabney conducted himself in today's events in most commendable manner, demonstrating at all times a deep sense of responsibility for UK–US relations here and displaying his genuine friendliness for the Italians. He was cheered long and loud by populace as he entered auto to leave Trieste. Also public gave our troops rousing sendoff as their ship sailed.

Derenzi's entry to city with BIS troops was widely acclaimed by jubilant crowds and city is in festive mood in spite harsh weather.

SIMS

No. 303

PPS files, lot 65 D 101, "Trieste"

Memorandum by John C. Campbell of the Policy Planning Staff to the Director of the Staff (Bowie)

CONFIDENTIAL [WASHINGTON,] October 29, 1954.

Subject: Soviet Attitude on Trieste Settlement

1. The Facts

The position of the Soviet Government, in reply both to our 1948 proposal to give the whole FTT to Italy and to our later efforts to work out a compromise partition solution, was consistently to call for implementation of the peace treaty provisions. Moscow specifically denounced any partition as illegal and an attempt by the US and UK to further their own aggressive designs at the expense of the real interests of the people concerned. They made a special effort to appeal to Italian opinion and attack the Italian Government on the issue, and made no attempt to show consideration for Yugoslav interests.

There are indications that the Soviets began to reconsider this position some months ago. Their last official statement on this line was in the Security Council meetings which followed soon after the US–UK announcement of October 8, 1953. Although Moscow knew about the negotiations going on in London, it remained more or less quiet on the issue, both in regard to official statements and propaganda output. However, the Italian Communist Party and the Cominformist Party in the FTT continued to follow the old line.

When the settlement was announced on October 5, the Soviet Government at first said nothing. Then the Soviet Ambassador in Belgrade told the Yugoslav Government that silence was a form of acquiescence. Finally, on October 12, Vishinsky sent a Note to the President of the Security Council stating that since the agreement would promote the establishment of normal relations between Italy and Yugoslavia and contribute to the relaxation of tensions in that part of Europe, the Soviet Government "takes cognizance of the agreement."

2. Interpretation

The Soviet Government has shown in the past that it will make a 180 degree shift in its position if it concludes that the situation has changed and that its interests are best served by so doing. Joining the League of Nations in 1934, concluding the pact with Nazi Germany in 1939, and abandoning the "Democratic Republic Azerbaijan" in 1946 might be cited as examples. In the case of Trieste

also they must have weighed the situation and found the balance in favor of reversal. This seems to show also that if the Western powers go right ahead and take positive action to settle problems where they can, even when Moscow makes great protests and outcries and has some legal basis for them, the Soviet Government may well accept the *fait accompli* when it finds it can't do anything about it.

Attempting to assess Soviet motivation in this case is largely guesswork, but the following may be justified:

(a) In regard to Italy, the Soviets suffered a loss in that they embarrassed the Italian Communists by sawing off the limb on which they had been perched and may have lost some fellow-travelling support as a result of the cynicism displayed toward Italian followers. The Italian Communist Party had just denounced the October 5th agreement as a dirty deal and "the most unfavorable treaty that could ever be drawn up," when it had to turn around and say that it was all right after all. This wasn't, however, a particularly good issue to stand on indefinitely in Italy, particularly after the settlement. The Italian Communists had not been able to win much support or embarrass the Government by preaching adherence to a peace treaty that the Italians had never liked anyway, and were not likely to gain much by opposing a settlement by which Italy actually got the big prize, the City of Trieste itself. Thus in Italy Moscow did not stand to lose seriously by the shift.

(b) The major reason for it seems to lie in the context of Soviet policy toward Yugoslavia. Shortly after Stalin's death the Kremlin began the process of "normalization" of relations with Yugoslavia. This process went fairly slowly however. There were no considerable concessions on Moscow's part except the reestablishment of an Embassy in Belgrade and a slackening off of the pressure of border incidents between Yugoslavia and neighboring satellites. Then in September 1954 the tempo of normalization increased sharply. For the first time the Soviet press and radio quoted Tito approvingly and referred to him as a Head of State rather than a "Fascist lackey" and betrayer of the Communist cause. The Soviet and satellite radio broadcasts, which have since 1949 been denouncing Tito and calling for his overthrow, have now been stopped. The anti-Tito exile organizations and newspapers operating from most of the satellite states are no longer heard from. And a series of trade negotiations by the USSR with Yugoslavia and some of the satellites with Yugoslavia have now resulted in agreement, with more comprehensive trade relations predicted for the future. The total effect of all this is that the whole set of political, psychological and economic pressures which the Soviet bloc had maintained against Yugoslavia is being relaxed. It would be a reasonable guess that some fundamental decision to proceed rapidly in this direction was reached by the Soviet leaders in September or slightly before. Their shift on Trieste seems to fit into this picture. It removes one more item on which they were at loggerheads with Tito; they may well have felt that it made no sense to make their relations with Yugoslavia worse by keeping alive this particular issue which they could not

do anything about anyway. The ultimate purpose of their policy of relaxing pressure on Yugoslavia, and the chances for its success, is a much broader question which I think should be given more attention than it has yet been given in the Department.

JOHN C. CAMPBELL

No. 304

Editorial Note

The question of where to send the United States troops that had been stationed in Trieste was considered further within the United States Government.

At the Four-Power, Nine-Power, and NATO Ministerial meetings which took place in Paris, October 20–23, Secretary Dulles and Foreign Secretary Eden discussed the possibility of the British redeploying some or all of their forces in Trieste to Austria, but Eden made it clear that the British Government was not prepared to do this. For documentation concerning the discussions of this question by Dulles and Eden at Paris, see volume V, Part 2, pp. 1409 ff.

At the 223d meeting of the National Security Council on November 9, it was decided that, in accordance with the President's directive, (a) approximately 1,500 to 2,000 United States troops, with necessary arms and equipment, were to be redeployed to the American Zone in Austria, the exact number to be dependent upon the availability of existing housing without additional construction, and (b) the 351st Regiment plus such short-term personnel as might be available from other commands, was to be redeployed to the United States. (Eisenhower Library, Eisenhower papers, Whitman file)

No. 305

Editorial Note

On December 13 and 14, Ambassador Clare Boothe Luce, accompanied by members of the Embassy staff, including Counselor Elbridge Durbrow, visited the city of Trieste. She paid official calls on Bishop Santin, Commissioner General Palamara, and was presented the Gold Seal of the city by Mayor Bartoli. In despatch 66 from Trieste, December 15, Consul General Harold Sims said that there was no doubt that Luce's visit, "coming on the heels of the Settlement and at a time when there is still considerable confusion in the new government and a degree of instability in the Trieste econ-

omy, provided the Triestines with positive evidence of our interest in their welfare." Sims also expressed his belief that Luce's visit "was an effective measure against Communism here, as it was a real-life demonstration of our acknowledgment of the good will we enjoy in this area." (123 Luce, Clare Boothe) Attached to this despatch were newspaper clippings related to the visit, a program of the Ambassador's activities, and various photographs taken during her public appearances.

BALKAN PACT

UNITED STATES ATTITUDE TOWARD THE NEGOTIATION AND CONCLUSION OF THE BALKAN PACT: THE TREATY OF ANKARA, FEBRUARY 28, 1953; THE TREATY OF BLED, AUGUST 9, 1954

No. 306

668.82/2-1052: Telegram

The Ambassador in Turkey (McGhee) to the Department of State[1]

SECRET ANKARA, February 10, 1952—5 p. m.

741. At mtg with PriMin and FonMin Feb 8, I referred to press speculation during visit Grk Dept PriMin Venizelos of discussions with Turk Govt re Yugo. FonMin replied that speculation had centered largely around extended informal discussion between Venizelos, himself, and Yugo Amb at reception given by Grk Amb. He, FonMin, had arranged conversation as gesture to facilitate goodwill between three countries. Conversation which ensued friendly but general in nature and resulted in no formal proposals or agreements. Yugo Amb stated clearly, however, that Yugo would defend itself in event of attack by Russia, which led to acknowledgment by all through community of interest this connection.

Pres Bayar, in discussion with Venizelos, expressed approval exchange of Ministers and good relations developed between Greece and Yugo and encouraged Venizelos seek even closer cooperation with Yugos.

In subsequent discussions, Venizelos and Turk officials agreed desirability their attempting jointly to develop closer relations with Yugo, with objective of reaching agreement hold secret staff discussions, probably at subordinate level, re military coordination in event of attack by Russia. FonMin thought possible that agreement to hold such discussions might develop naturally within two or three months, and asked whether or not we would be able to facilitate discussions. I replied that I wld query Dept re possibility Amb Allen in Belgrade, either on his own or on our govt's initiative, sounding out Yugos with respect possible participation in such discussions. It might be stated to Yugos that we had reason to believe such discussions would be welcome to Grks and Turks. FonMin and

[1] Repeated for information to Belgrade and Athens.

PriMin expressed approval this procedure and confidence in Amb Allen and his ability handle situation.

Appreciate having comments of Dept and Embs Athens and Belgrade with respect to feasibility foregoing suggestion. Believed desirable not raise matter with Grk Govt at this stage. In this connection Italian Amb recently commented that NATO Command containing Italy, Greece and Turkey will present irresistible attraction to Yugo which his govt hopes, of course, will result ultimately in Yugo association.

McGHEE

No. 307

668.82/2-1052: Telegram

The Acting Secretary of State to the Embassy in Turkey[1]

TOP SECRET WASHINGTON, February 13, 1952—6:54 p. m.

708. Dept pleased that Pres Bayar and other Turk officials took opportunity during Venizelos' visit to encourage closer cooperation between Grk and Yugo and that Grk and Turk officials also agreed on desirability attempting jointly develop closer relations with Yugo (Embtel 741 Feb. 10[2]). Dept believes it preferable for Grk and Turk through their own means lay groundwork for staff discussions with Yugos and therefore is not inclined favor at this time US approach by Amb Allen as suggested reftel.

FYI our strategic planning has not yet progressed to point where coordination with Yugo may be undertaken. US approach to Yugo re Grk-Turk-Yugo staff discussions might imply US prepared enter such relationship now. Further, lack knowledge by Grk and Turk of NATO planning wld perhaps limit usefulness staff discussions at this time. On the other hand, Dept does not wish discourage any efforts Grk or Turk may themselves wish to make to estab closer relationship with Yugo and particularly to develop atmosphere for freer discussion and greater cooperation between the three countries.

WEBB

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[1]Drafted by Moore and Marcy and cleared by Campbell, Bonbright, and Rountree. Repeated for information to Athens and Belgrade.

[2]*Supra*.

No. 308

681.82/5–652: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET ATHENS, May 6, 1952—1 p. m.

4758. Fol info supplied by FonOff . . . today.

While Grk-Turkish talks (re Embtel 4712 May 2, 52[2]) covered practically every subj of interest to both countries relations with Yugos unquestionably main topic discussed. Grks and Turks agreed that close collaboration with Yugo was indispensable for def effort. . . .

Grk Govt for some months has striven to better relations with Yugo and hence has purposely ignored number of disagreeable occurrences. For example, five bearers of Grk passports in Skopolje were recently refused exit permits by Yugos on grounds that they were not Grks but Macedonians. Similar incident occurred in Belgrade. Some of 64 Grk children repatriated from Yugo several weeks ago brought their Yugo school books back with them. Grks shocked discover that map of Yugo in children's geography books showed Salonika as Yugo territory. In these cases, as in constant references by Yugo radio to Aegean-Macedonia, Grks have been careful to protest informally and in most friendly way possible. Officially, Grk Govt has behaved as if it believed such irritating Yugo acts and pretentions were due to various "broiled-heads" whom Tito obliged to pamper. This incidentally was explanation given Grks by Brit Amb Peake. Grks well pleased that their efforts have resulted in exchange of Mil Attachés with Yugo and consider this major step forward.

Yugo Mil Attaché recently called on Gen Grigoropoulos to inform him that he had been authorized by Yugo gen staff to state that in time of war Grks could consider their Yugo frontier as covered and protected by Yugo army. (Up to that moment Grk info was that Yugos had decided to concentrate on waging guerrilla warfare from strongholds in Montenegro–Bosnia–Herzegovina and mountains of Istria.) Yugo Mil Att added that Yugo gen staff did not think mil conversations with Grks immediately necessary since it believed there wld be time for such talks in case of real threat. Grigoropoulos logically maintained talks shld be held immediately. Yugo Att answered he not authorized to discuss such questions but

[1]Repeated to Ankara, Belgrade, Rome for Unger, and Paris for MacArthur.

[2]Telegram 4712 reported that a visit by a Turkish Delegation to Athens, Apr. 23–May 2, had resulted, *inter alia*, in an agreement to explore joint defense planning with Yugoslavia. (681.82/5–252)

that in any case initiative for mil talks must come from Grks or Turks. (Same view re initiative given Turk PriMin by Yugo Amb Ankara. Both Grks and Turks attribute this to Tito's uneasiness over his internal pol sit.) Grigoropoulos asked Mil Attaché to transmit Grk desire for immediate staff talks and to consider this as Grk initiative. General added that he wld appreciate direct Yugo answer to his request.

On Apr 28 Averoff told Yugo Min here that Grk Govt highly pleased over Grigoropoulos' conversation with Mil Att. Averoff added his request for early commencement of staff talks, arguing that Russia might strike with scant warning. In this connection he referred to events of 1941 when Yugo-Grk staff discussions were delayed until eight days before German attack to the great disadvantage of both countries. Yugo Min vaguely agreed but remarked that Grks need not be unduly alarmed as they could be sure that Yugo wld act strongly and quickly in their common interest. . . .

From past conversations, both Grks and Turks feel that Tito wants mil talks but fears to begin them because of his delicate internal sit. In fact, Grks believe Tito may be afraid of some of this own men, hence his insistence on Grks and Turks taking initiative. An indication of this is in months Yugos delayed in selecting Mil Att for Greece after agreeing to send one. This, Grks consider, due to difficulty incurred by Tito in finding man sufficiently trustworthy and able.

Grks agreed with Turks to take clear initiative with Yugo in urging mil talks and will assure them that conversations will be "top secret" only between officers and that Grks and Turks will not ask for treaty, only definite understanding. In this connection, Turk PriMin and FonMin agreed that immediately after his return to Ankara FonMin wld tell Yugo Amb of Turk desire for discussions to begin.

It has been and will be clearly implied to Yugo that without mil understanding it is very doubtful that Turks will be disposed to place strong forces on Eur front but on contrary if clear understanding can be reached, Turks prepared commit formidable forces in Europe.

Grks and Turks agreed that atmosphere helpful to it must be created without delay. With this in mind on May 2, Averoff proposed to Yugo Min Athens that group of six to ten members of Grk Parl make good will visit to Belgrade. After this visit he suggested that group of Yugo MP's pay return call to Athens. Yugo Min liked idea and promised pass to Belgrade adding that it wld be well for Grk Min (read Averoff) to head group. . . .

PEURIFOY

No. 309

668.82/6-652: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

BELGRADE, June 6, 1952—6 p. m.

TOP SECRET

1537. Turkish Ambassador called on me yesterday to discuss Yugoslav-Turkish-Greek relations. He said Deputy Foreign Minister Mates recently told him that while Yugoslav Govt did not feel in position to initiate talks with Turkey, Yugoslav Govt wld receive any Turkish approach "with great sympathy." Mates indicated that Yugoslav Govt's cautious approach was necessitated by reluctance of certain members Yugoslav CPY to initiate action which might appear to envisage formation of Yugoslav-Greek-Turkish *entente*.

When Turkish Ambassador reported foregoing to his govt, he received reply that American authorities did not think time was yet ripe for Turkish approach.

While I agree that caution shld be exercised lest Greeks or Turks step on each other's toes or make too bold approach to Yugoslavs, it seems to me highly important to take advantage of present Yugoslav willingness to improve relations with both those two countries. We shld particularly avoid any impression that we are hesitant in principle about Yugoslav-Greek-Turkish *rapprochement*. Our best approach, it seems to me, is to avoid too close involvement in either direction and let Yugoslavs, Greeks and Turks work it out themselves to extent feasible. We do not need to be concerned about being kept fully informed.

Two or three reliable reports have come to me recently that Yugoslavs are not anxious to engage in direct strategic talks with great powers but are not afraid to talk with Greeks and Turks, whom they can meet on basis of equality. Inequality of Yugoslav-Soviet relationship is still fresh in Yugoslav mind.

Turkish Ambassador believes, and I agree, that any understandings which may eventually result among Turks, Greeks, and Yugoslavs shld be trilateral but that initial Greek and Turkish approaches might be bilateral. Some time must elapse and several preliminary stages go through before atmosphere is ripe for serious understanding. Turkish Foreign Minister is said to wish to pass through Belgrade by train en route to or from Paris, when he cld take occasion, during two or three day stopover to establish contact

[1]Repeated for information to Ankara, Athens, Paris, and Rome.

with Yugoslav official. This seems useful approach which we shld encourage.

ALLEN

No. 310

668.82/6-652: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, June 7, 1952—1:01 p. m.

1249. Dept fully endorses Belgrade's belief US shld be careful avoid giving impression US hesitant in principle about Yugo-Grk-Turk *rapprochement* including bilateral or trilateral mil talks (Belgrade tel 1537 June 6 to Dept[2]). Quite the opposite is, of course, the case. View comments Turk Amb Belgrade, Dept believes erroneous impression may have been recd by Turks from remarks made to Koprulu by Amb consequent Deptel 1007 May 7 to Ankara[3] (see Ankara's tel 1226 May 11 to Dept[4]).

Request Ankara seize early opportunity reassure FonMin and Belgrade take similar occasion inform Turk Amb that US fully supports concepts of *rapprochement* between three nations, and is hopeful it will proceed as rapidly as pertinent circumstances permit. Caution expressed to Turk FonMin by Amb Ankara was prompted solely by impression US had recd that Turks and Grks may have intended ask NATO forthwith undertake study Yugo problem. There are certain indications which have reached Dept that situation is not yet ripe to take such step in NATO, and Dept was concerned lest possible rebuff in NATO wld prejudice progress on bi or trilateral basis between Greece, Turkey and Yugo.

ACHESON

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[1]Drafted by Marcy and cleared with Rountree and Barbour. Repeated to Ankara for action and to Paris, London, and Rome for information.

[2]*Supra.*

[3]Telegram 1007, repeated to Athens, instructed the Ambassadors in Greece and Turkey to request the appropriate Greek and Turkish officials to postpone the presentation of the proposal for Yugoslav-Greek-Turkish defense planning to the NATO staff until full consultation had taken place with the United States. (681.82/5–652)

[4]Telegram 1226 reported that Köprülü, in response to McGhee's remarks, had assured McGhee that no military conversations would for the time being be initiated by the Turks. (681.82/5–1152)

No. 311

Editorial Note

During the course of the next several months, the Greek-Turkish-Yugoslav *rapprochement* continued, taking the form of visits by military and political representatives from one capital to one or both of the others. From September 5 to 13, a Yugoslav military delegation under General Yaksich visited Athens, then proceeded to Ankara for a 3-day visit on September 24. A Greek military delegation under the leadership of General Ioannou returned the visit to Belgrade November 23–30. A Turkish military delegation under Lieutenant General Tunabloglu visited Belgrade for a few days beginning on December 20. On December 27, a Yugoslav military delegation held discussions in Athens with members of the Greek military (see Document 314). Turkish Foreign Minister Köprülü visited Belgrade for 5 days beginning on January 20, at the end of which a communiqué, transmitted in telegram 1043 from Belgrade, January 26, was issued. (782.13/1-2653) From Belgrade, Köprülü traveled to Athens where he held conversations with Stephanopoulos and Papagos from January 26 to 30. The text of the communiqué issued at the end of this visit was transmitted in telegram 2301 from Athens, January 30. (782.13/1-3053) Stephanopoulos then departed for Belgrade, where he held conversations with Yugoslav officials February 3–7, at the end of which a communiqué, transmitted in telegram 1133 from Belgrade, February 9, was issued. (668.811/2-953) As a result of these bilateral meetings on both military and political levels, a tripartite military conference took place in Ankara February 17–20, and a political conference of the three Foreign Ministers convened in Athens on February 20. The latter conference produced a draft of a Treaty of Friendship which was initialed on February 26 and signed in Ankara on February 28 (see Document 328).

No. 312

768.5/11-2452: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET BELGRADE, November 24, 1952—6 p. m.

739. Grk Min Capitanides called on me Nov 21 to discuss forthcoming visit of Grk mil del to Yugo.[2] He said he and Yugo auths were agreed that stage was set for "substantial developments" during this visit. Implication was that Yugos had definite mil commitments in mind.

I heartily welcomed progress being made in Yugo-Grk rels and cld see no reason why they shld not eventually develop into specific commitments. Speaking entirely personally, I said I did not believe Grk mil del, as reps of NATO country, cld undertake serious commitments without prior NATO clearance. Moreover, I said policy agreement on inter-govt level wld be required before mil auths of Greece and Yugo cld advance very far. Capitanides said he agreed fully and wld so remind his del.

I mentioned foregoing to Capitanides in view of indications I have had from Yugos that they expect to go much further in their talks with Grks than they did with Gen Handy.[3] Yugos may hope to obtain indirect NATO commitment through getting Grks and Turks to sign reciprocal assurances of support in case of attack. I have no desire to dampen enthusiasm of Yugos and Grks but gentle timely reminder seemed appropriate.

In response to Capitanides further request for suggestions, I said Yugos wld probably express some harsh opinions re Italy which Grk officers might be inclined to reciprocate. I suggested that Capitanides remind his officers before talks start that if Yugos start abusing Italy, Greeks might well point out that purpose of discussions was Yugo-Greek rels and not Italy. Capitanides expressed full concurrence and appreciation.

ALLEN

[1]Repeated for information to Athens, London, Ankara, Rome, and Paris.
[2]Regarding this visit, see the editorial note, *supra*.
[3]Regarding the Handy talks in Belgrade, Nov. 17–20, see Documents 661 ff.

No. 313

768.5/12-352 Telegram

The Secretary of State to the Embassy in France[1]

TOP SECRET WASHINGTON, December 5, 1952—7:09 p. m.

3207. No distribution outside of Department. Noforn. This is State msg, passed Defense for comment, but transmitted field without awaiting Defense concurrence view rapid developments re Yugo in politico-mil field and Depts desire addressees be aware Depts tentative thinking prior achievement formal US Govtal position.

Now that Handy talks terminated, next formal step on tripartite (US, UK, Fr) level must await consideration and evaluation formal Handy report,[2] which understood be now in preparation but which probably will not be available to Govts for week or ten days. In meantime, Fr apparently hope discuss gen question integration mil planning re Yugo into NATO mil framework (which an agreed ultimate objective tripartite powers) at tripartite mtg Paris on occasion NAC mtg.[3] Such integration is, of course, at present nub of entire politico-mil picture re Yugo. However, time factor availability Handy report and apparent imminence of developments in mil conversations between Yugo-Gr and Yugo-Turk respectively complicate picture at moment, and it seems unlikely that any fruitful conversations can be held in Paris at time of NAC.

US view already made known to interested parties favors maximum development Yugo-Grk-Turk ccoperation, qualified as that cooperation must be by consideration responsibilities Gr and Turk to NATO. It was such considerations on part US, UK and Fr which accounted in large measure for limitations on Handy's terms of ref, which in turn seem to have to some degree disappointed Yugos, but which may in last analysis act as spur to progress between Yugo and Gr and Turk. Provided, as seems to be the case, Gr and Turk bear these limitations in mind we feel US shld encourage rapid and concrete progress in mil planning in Gr-Yugo and Turk-Yugo

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[1]Drafted by Marcy, signed for Acheson by Nolting, and cleared in RA, WE, NEA/GTI, EUR and G. Also sent to Rome, London, Belgrade, Ankara, Athens, Frankfurt, and Trieste eyes only Chiefs of Mission, specific addressees, and Senior Military Attachés.

[2]Not found in Department of State files; for a summary of this report, see Document 664.

[3]For documentation concerning the North Atlantic Council Ministerial meetings, Dec. 14–18, see vol. v, Part 1, pp. 454 ff.

mil talks (i.e., brass tacks: Athenstel 1775 to Dept[4]), which can only serve to complement progress made and desired to be made in US, UK, Fr-Yugo mil relations. We sense, however, that Gr, Turk and Yugo are all cognizant our position this matter and, pursuant their own interests, will push forward as rapidly as feasible. This connection, and in re inclusion Turks at any given stage of Grk-Yugo talks, we feel it wld only further complicate issue and might deter Yugos for US to bring pressure. We wld prefer therefore let Grks and Yugos find their own pace.

Re concrete proposal for Grk-Yugo formula contained last para Athenstel 1775 to Dept, Dept feels there might well be positive value in inclusion explicit reservation that understandings reached on bilateral level wld be subject to subsequent coord with arrangements between Yugo on one hand and US, UK, and Fr on other, provided it also clearly understood all planning on a purely contingent basis and hence subject to affirmative govtal decision at the time action required. Realistically Yugos as well as Grks and Turks must already appreciate that for such bilateral understandings to have substance they must be subject to such coordination with tripartite if not with NATO planning. However, the more Yugo is made to realize that her own interests are inextricably related to common defense efforts of West, and that she will not be permitted play off one power or group of powers against the rest, the better and the more likely we are to achieve our purposes.

Until it becomes possible to foresee manner and means by which mil planning re Yugo may be integrated into NATO mil framework, it will be impossible fully resolve over-lapping aspects of US, UK, Fr-Yugo, Yugo-Grk, and Yugo-Turk mil cooperation and planning, nor can total impact this planning on polit relations between Yugo and West (Yugo-Ital as prominent example) be calculated. Dept does not anticipate however that this temporary disability shld prove insurmountable impediment to progress. This connection and specifically in re first para Athenstel 1775 to Dept and point four of Paristel 3230 to Dept,[5] it obviously desirable maintain fullest possible flow of info to US, UK and Fr re progress Yugo-Grk and Yugo-Turk understanding. While it must be obvious to all concerned that specific Yugo confidences must be observed and that return flow of info from US, UK and Fr to Grk and Turk must also be conditioned thereby, Dept believes groundwork for Yugo under-

[4]Telegram 1775, Dec. 3, reported that both the Turks and Greeks appeared anxious to undertake serious negotiations with the Yugoslavs during the forthcoming visits of the Greek and Turkish Delegations to Belgrade. (768.5/12-352)

[5]In telegram 3230, Dec. 2, Dunn recommended that the Greeks and Turks make no commitment to the Yugoslavs without prior consultation with the United States, United Kingdom, and France. (768.5/12-253)

standing this aspect has been well laid (with obvious exception of Ital, concerning which we will have to feel our way for some time), and Dept wld hope that course of Grk-Yugo discussions will further bolster Yugo recognition that fullest possible exchange info will benefit all parties. Proposed formula for Grk-Yugo reservation discussed preceding para might well also serve that purpose. Meantime and in absence other arrangements such as can be created only following tripartite discussion Handy report and decision how best to move towards integration these problems into NATO mil framework, tripartite cmte establ Wash last summer to prepare terms of ref and agenda for Handy talks, supplemented as necessary and desirable by dipl channels, appears least clumsy method exchanging info as between US, UK and Fr. This connection Dept assumes it is this cmte which is meant by "mil agency" referred to in Paristel 3230 and Athenstel 1775, both to Dept, since we have been at considerable pains at this stage to maintain distinction between that grp and Standing Group: see apparent loose Brit usage reflected last sentence Londontel 2869 to Dept.[6]

In view foregoing, while we favor maximum possible progress in contingent mil planning between Grks and/or Turks and Yugos, we consider that there shld be no commitment of forces at this time. Such commitment must of course be subject govtal decision at time emergency arises in light all circumstances and in consultation NATO allies as appropriate.

Paris pass Reinhardt; Rome pass Unger, for Carney; Belgrade pass Harmony; Ankara pass Rivinus for Wyman.

ACHESON

[6]Telegram 2869, Nov. 20, referred to the "British representative on standing group", without specifying what was meant by "standing group." (768.5/11-2052)

No. 314

768.5/12-3152: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET ATHENS, December 31, 1952—5 p. m.

2013. Noforn. No distribution outside Department. Following information re Greek-Yugo military conversations[2] supplied by Min-

[1]Repeated for information to Belgrade, Ankara, London, Paris, Rome, and Frankfurt, eyes only Chiefs of Mission and Senior Military Attachés.

[2]Regarding these conversations, see Document 311.

ister Defense and Deputy Chief NDGS. Full minutes will be made available to us as soon as transcription completed.[3]

Yugos desire formal tripartite agreement with Greece and Turkey that others will assist in case of attack upon any one of parties. Agreement would include concrete details as to use of forces in case of war. Yugos proposed inclusion arrangements for operation of Greek forces in Yugo and vice-versa. At outset conversations Yugos inquired whether Greeks would be prepared to sign agreement even without Turks but, after receiving later report from Belgrade re concurrent Turk-Yugo conversations, Yugo delegate appeared encouraged that Turks would participate.[4]

Greeks informed Yugos their government would have to study question of defense agreement. Yugos pressed for prompt further meeting at higher level at which decision might be reached but no date was fixed. Greeks can easily stall till after De Gasperi visit but may find it difficult to do so thereafter. They expect to keep closely in touch with Turks and hope Turk Foreign Minister will stop off Athens after Belgrade visit about January 10.[5]

Greeks are puzzled by urgency with which Yugos are pressing for this agreement, particularly since Yugo delegate which visited Athens in September did not raise question and appeared to consider threat of war not imminent. Greeks advanced to us three hypotheses in possible explanation of change in Yugo attitude.

First is that Yugos may have received new information re Soviet intentions or preparations. However, while stating they consider danger of war more imminent, Yugos cited to Greeks no new evidence to support this contention.

Second hypothesis was that General Handy might have asked Yugos to come to agreement with Greeks and Turks. Greeks consider this unlikely, first, because we have said nothing to them of such request and, second, because they have impression from Yugos that talks with General Handy did not go very deep. One Yugo General remarked: "He asked much and told little." Chief of delegation said Yugos had not told Handy much about their forces since he had not told them much about his. On other hand, Greeks

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[3]The full minutes of the conversations held on Dec. 27 were transmitted in despatch 801 from Athens, Jan. 10, 1953. (768.5/1-1053)

[4]Telegram 880 from Belgrade, Dec. 22, reported that the Turkish military delegation then visiting Belgrade (see Document 311) had decided, with encouragement from Ambassador Allen, to set forth a plan for Turk-Yugoslav military cooperation. (768.5/12-2252) Presumably it was a report of this that persuaded the Yugoslav delegate at the talks in Athens that the Turks would join a Greek-Yugoslav military agreement.

[5]Regarding the visits of Köprülü to Belgrade and Athens in late January and early February, see Document 311.

were well satisfied with extensive information supplied them by Yugos about state and disposition of Yugo forces and fortifications.

Third hypothesis was that Yugos desire firm agreement with Greece and Turkey to strengthen their position vis-à-vis Italy. Greeks impressed by unanimity with which high-ranking Yugos refer to "Italian imperial ambitions." Greeks are endeavoring to bring Yugos and Italians closer together and Papagos will inform De Gasperi during forthcoming visit he considers Yugo cooperation essential to defense of Northern Italy. However, Papagos was misquoted by press (Embtel 2001 December 30[6]) in referring to Italian participation in Greek-Turk-Yugo talks and he assured Yugos he made no such reference.

According Minister Defense, Greek Government would be disposed to sign defense agreement with Yugo, if to do so would not conflict with their NATO obligations. They would appreciate receiving United States views soonest in order be able resume conversations with Yugos after middle of January. Greeks hope it would not be necessary obtain formal approval all NATO countries since some might be reluctant, though Greeks consider definite commitment from Yugo, even though limited to Greece and Turk, would be clearly to advantage all NATO countries. Greeks would expect to work out very carefully in consultation with us exact character of obligation which they might assume.

PEURIFOY

[6]Telegram 2001 reported that Papagos in a press interview had expressed the hope that Italy would later be permitted to participate in any Balkan military arrangement which might be negotiated. (660.44/12-3052)

No. 315

768.5/1-353: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET BELGRADE, January 3, 1953—5 p. m.

913. No distribution outside Department. Reference telegram Athens 2013 to Department.[2] What Greeks call "change of Yugo attitude" since September seems to us to be logical outcome of events, especially since Handy talks have taken place. We are inclined therefore to discount their three hypotheses as primary rea-

[1]Repeated for information to Paris pass Reinhardt, London, Rome for Unger, Athens, and Ankara, eyes only Chiefs of Mission and Senior Military Attachés.

[2]*Supra*.

sons for evolution Yugo thinking, although Yugo desire to strengthen its position vis-à-vis Italy is constant contributory factor.

Ever since break with Cominform became irreparable, logical goal of Tito foreign policy has been to obtain military alliances with West. This requirement arising out of obvious security considerations has been slow of achievement because of ideological barriers within and without Yugo which separate Tito regime from all NATO nations plus territorial dispute of Trieste which removes Yugo one step farther from Italy. Events have however developed favorably for Tito both internally and externally and he now feels confident enough to abandon his stand against regional blocs and to advance concept of formal military commitments on a governmental level as a precondition to further progress in military talks. With the United States, United Kingdom and France this has so far taken the form only of a broad hint (Embtel 878, of December 22[3]). The Turkish military delegate however was faced with a clearer request for a politico-military understanding (Embtel 880 of December 22[4]), and according reference telegram Tito has broadened his field in Athens conversations to include a formal tripartite defense agreement. The naturally greater receptivity of the Turks and Greeks to broadening scope of talks contrasted to narrow confines of Handy's terms of reference particularly in political field seems to us to have prompted Tito to begin process of moving under NATO umbrella by attempting to secure alliances to south.

ALLEN

[3]Telegram 878 reported that Kardelj was seeking ways of pursuing with the United States, United Kingdom, and France the question of military cooperation raised during the Handy talks. (768.5/12-2252)

[4]See footnote 4, *supra*.

No. 316

768.5/1-653: Telegram

The Ambassador in Turkey (McGhee) to the Department of State[1]

TOP SECRET PRIORITY ANKARA, January 6, 1953—11 a. m.

826. Noforn. No distribution outside Department. In my first extended discussion with Foreign Minister since his return from

[1]Repeated for information to Athens, Belgrade, Rome, London, and Paris, eyes only Chiefs of Mission and Senior Military Attachés.

NATO meeting in Paris[2] and his subsequent visits to Rome, Naples and Athens, he summarized his views toward the developing *rapprochement* between Yugoslavia and the West as follows:

1. In Italy De Gasperi made many and strong complaints against Yugoslavs, including treatment of Italians in Yugoslavia-administered zone of Trieste, severing of Yugoslav relations with Vatican and Yugoslav characterization of De Gasperi's regime as Fascist. Koprulu believes, however, that Italians really desire closer association of Yugoslavia with west, and that their present tactics are calculated to exact as their price for their agreement a solution for Trieste favorable to themselves. He believes too that an underlying Italian motive is to regain the prestige of their former position as principal outside power in the Balkans.

2. Recent Turkish military delegation to Belgrade[3] was warmly received and shown military installations, factories, and schools, and an armored division. Information was exchanged on Soviet and satellite intelligence and it was agreed that such exchanges would be made regularly in future. It was also agreed, on a purely technical basis, that, in event of attack by Russia against one or both countries, neither should evacuate forces before attack but should initiate defense at border. In Foreign Minister's view talks constituted an advance over recent meetings in Ankara,[4] since Yugoslavs in Belgrade had been less conservative than Turks had been in Ankara. Foreign Minister believes however that nothing of concrete nature has been or can be achieved with Yugoslavs until more definitive political discussions are held. It is to sound out Yugoslavs on their political views that he plans, on invitation of Yugoslav Government, to visit Belgrade starting January 15 or 16.[5]

3. In Foreign Minister's view time will soon be ripe to attach Yugoslavs to NATO, preferably by direct entry. He has impression, which he cannot document, that Yugoslavs desire such a solution and will be in position to accept admission into NATO in two or three months. Foreign Minister believes present Yugoslav tactics vis-à-vis Italy dictated, as are Italians, by desire force Trieste solution favorable to themselves. If United States and United Kingdom can persuade Italy to accept Yugoslav admission, Foreign Minister feels that other NATO countries, despite ideological opposition of various groups including Catholics, will ultimately agree. If direct entry into NATO is not possible, an alternative solution should be sought through creation of separate three-power alliance such as EDC, with reciprocal guarantees with NATO. Foreign Minister knows of no new approach by Yugoslavs to Greeks on an alliance between Turkey, Greece and Yugoslavia (see Athens 2013 December 31 to Department,[6] repeated information Belgrade 35, Rome

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[2]For documentation on the North Atlantic Council Ministerial meetings in Paris, Dec. 14–18, 1952, see vol. v, Part 1, pp. 454 ff.

[3]See Documents 311 and 314.

[4]Presumably reference is to the visit of the Yugoslav military delegation under Yaksich to Ankara, Sept. 24–26; see Document 311.

[5]Köprülü actually left for Belgrade on Jan. 20; see Document 311.

[6]Document 314.

152, London 94, Paris 193, Ankara 65, which was not divulged to Foreign Minister) and does not in fact think Greeks have thought through any solution to Yugoslav problem.

4. Foreign Minister requested advice from United States, before he departs for Belgrade, on how to proceed with Yugoslavs. He pointed out that matter vitally affects NATO, and that Turks look basically to United States, and secondarily to United Kingdom, for advice in such matters. He considers that one of principal difficulties of west up to now, in its approach to Yugoslavs, was that its efforts had been "desultory". The Eden and Handy visits, and the Greek and Turkish military discussions, had not been properly coordinated.

Comment: It would be greatly appreciated if Department would consider Foreign Minister's request as matter of urgency and give me what guidance it can to impart to him before his departure for Belgrade on January 12. I hope also that Department will permit Ambassador Allen give Foreign Minister benefit of his views in Belgrade, and will authorize me so to advise Koprulu.

Evidence points to Yugoslav desire to associate itself in defense matters more intimately with West. If Foreign Minister correct in his analysis point would appear to be near for discussion concrete political means of achieving this objective, which could assume form of a three-power (or four-power) alliance, as Athens 2013 of December 31 would indicate has emerged in recent Greek-Yugoslav discussions, or direct entry of Yugoslavia into NATO as favored by Turkish Foreign Minister. Foreign Minister, as the next important visitor to Belgrade, could have an important influence on the course to be followed. He has sought our guidance and will, I am sure be happy to follow our lead if we are prepared to give it to him.[7]

McGHEE

[7]In telegram 858 to Ankara, Jan. 8, the Department of State responded to McGhee's request for advice by referring him to telegram 2143 to Athens, Jan. 7, repeated to Ankara as telegram 853, *infra*.

No. 317

768.5/12-3152: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET WASHINGTON, January 7, 1953—1:50 p. m.

2143. Noforn. No distribution outside of Department. Paris pass Reinhardt; Rome pass Unger for Carney; Belgrade pass Harmony; Ankara pass Rivinus for Wyman.

Pls inform Grks US most grateful their making available info re talks with Yugos (Athens tel 2013 Dec 31[2]) and we looking forward more complete report soon as possible. We are especially interested in precise form of commitment as proposed by Yugos and as contemplated by Grks and Turks, although we wld not at this time wish Yugos to know of our interest in this point.

Problem on which Grks have now asked US view obviously involves basic and fundamental issues on which decisions can only be taken at highest govtl level and fol full consideration all aspects incl US, UK, Fr mil relations with Yugo (Handy Talks) and eventual integration mil planning for Yugo into NATO mil framework. Obviously unrealistic expect these basic decisions to be taken in time for Grk-Yugo talk discussions in Jan (FYI we anticipate basic NSC paper on Yugo may, *inter alia*, be necessary). In interim only guidance we can provide is outlined in Deptel 1848 to Athens Dec 5,[3] which has now been endorsed by Defense with exception words "at time emergency arises", which it prefers to omit from last substantive para. This connection, Defense had endorsed JCS comment that while they realize commitment of forces must be subject to Governmental decision at time an emergency arises, they consider there are complete safeguards in that regard without that particular phrase being incl, and feel that incl of phrase might tend to slow progress of mil planning. On assumption that this concept understood by Grks and Turks from previous conversations with our Ambs (Ankara tel 754, Belgrade tel 880, Athens tel 1975[4]) Dept

[1]Drafted by Marcy; cleared in RA, NEA/GTI, BNA, WE, EUR and by Defense; and signed for Acheson by Matthews. Repeated for information to Paris, Rome, London, Belgrade, Ankara for CINCEUR, Frankfurt for Handy, and USPolAd in Trieste, eyes only Chiefs of Mission, specific addressees, and Senior Military Attachés.

[2]Document 314.

[3]Printed as telegram 3207 to Paris, Document 313.

[4]Telegram 754 from Ankara, Dec. 12, reported that the Turkish Delegation which was to arrive in Belgrade on Dec. 20 had been instructed to proceed cautiously with regard to military commitments. (768.5/12-1252) For a summary of telegram 880 from Belgrade, see footnote 4, Document 314. Telegram 1975 from Athens, Dec. 24,

Continued

concurs this excision. We wish Greeks fully to understand two principles which underlie Deptel 1848 to Athens (1) US is interested in having talks proceed as far as possible in view of info which can be expected (2) For reasons given above and in reftel most important any commitment of type apparently suggested by Yugos to Greece be avoided pending full consideration mentioned above.

In reaching decisions on basic problems now facing us, we will wish in so far possible and appropriate do so in consultation UK and Fr. Therefore, request clarification caption Noforn on Athens tel under ref. Have Grks passed similar info to Brit and Fr, and if not, do they intend to do so or have objection our doing so? US, UK and Fr will shortly be consulting on result Handy talks, and prior thereto we wld like for them to have info contained Athens reftel providing, of course Grks have no substantive objection.

ACHESON

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reported that the Greeks intended during the imminent visit of the Yugoslav military delegation to Athens (see Document 311) to avoid making political or military commitments. (768.5/12-2452)

No. 318

Ankara Embassy files, lot 57 F 72, "320—Greek-Turk-Yugo Pact, Jan. 1953"

The Counselor of Embassy in Turkey (Rountree) to the Ambassador in Turkey (McGhee), at Istanbul

TOP SECRET ANKARA, January 16, 1953.

DEAR MR. AMBASSADOR: Sadi Eldem has confirmed that the Foreign Minister plans to go to Istanbul by night train tonight (Friday), leaving there for Belgrade Sunday night. He said that Sunday would be a convenient time for you to see the Foreign Minister.

The British Ambassador has already seen the Foreign Minister, and the French Counselor saw Nuri Birgi, to give them such information as their respective governments are in a position to supply at this time. According to Scott-Fox, the British Ambassador said that the time is not ripe to encourage Yugoslavia to join NATO, and that in any event the British doubt that Yugoslavia would be willing to join; even if she were there would be some members of NATO, particularly Italy, who might argue that she is not eligible. The Ambassador said that while the British do not know exactly what the Foreign Minister has in mind about a regional organization linked to NATO, the British feel that it is an interesting idea which should be studied. He expressed the view that it is advisable

to push ahead with the Turkish-Yugoslav talks on a purely military basis. I gathered that he also added some comment to the effect that the difference in the situations of Greece and Turkey would probably render it impossible to have integration between the Turks and Yugoslavs to the same extent as between the Greeks and Yugoslavs. There, I understand, he had in mind that the military involvement of Greece in any satellite action against Yugoslavia would be far more automatic than in the case of Turkey.

Scott-Fox said that the Foreign Minister's principal comments to the Ambassador were to reiterate that he felt that military talks can't go very far without political commitments, although he understood that such commitments do not appear possible at the present time. He said that while in Belgrade he will, without committing himself, make soundings regarding the Yugoslav attitude toward adherence to NATO. He commented that the EDC concept would be second best to NATO, but if NATO is impossible he considered it a very useful instrument by which to bring Yugoslavia into coordinated military planning. He said that he thought that Italy would insist upon being included in any such separate alliance.

I gather from Vapler that the instructions which the French Embassy received and upon which he acted were very similar though not identical to those of the British.

As to the line which you might take with the Foreign Minister, I am afraid that at best there can be very little of substance. Essentially the position is that we are not able at this time to give any definitive views either upon the question of Yugoslavia's adherence to NATO or the creation of a complimentary tripartite or quadripartite defense arrangement linked with NATO; we believe that for the time being there should be no commitment of forces or political commitments which might be inconsistent with Greece's and Turkey's present responsibilities to NATO; but that, nevertheless, we look with considerable favor upon continuation of talks between the Turks and Yugoslavs on the basis of contingent military planning. I have gone over the file of telegrams received and despatched and have drafted the attached suggestion which encompasses points which I consider most appropriate for communication to the Foreign Minister. It frankly is pretty lifeless, but I trust that you will embellish it and breathe a little life into it in your oral presentation.

I am also enclosing copies of the pertinent telegrams,[1] some of which arrived after your departure. Since several were delayed in

[1]Not found attached to the source text.

transmission, I suggest that you review in particular all dated from January 4th. (Please bring or send them all back as they are from our main file on the subject.)

Incidentally, while the Department's telegram 858 of January 8th[2] purports to give us guidance as to what to tell the Foreign Minister, it refers to telegram 2143 of January 7th to Athens[3] for such guidance, the latter telegram referring in turn to telegram 1848 of December 5th to Athens.[4] The final reference includes a hodge-podge of information from which it is extremely difficult to extract guidance for discussions with the Foreign Minister. In my attached suggestion I have, however, attempted to extract the most pertinent features and have added a couple of obvious points.

I hope that this will be helpful to you in your talk with the Foreign Minister. I might add that he undoubtedly has been prepared in the French and British approaches to expect very little specific advice at this time from his colleagues.

Best regards,

Sincerely,

BILL

[Attachment]

SUGGESTED LINE TO TAKE WITH FOREIGN MINISTER KOPRULU UPON YUGOSLAVIA

1. Re-emphasize the interest of the United States in the Turk-Yugoslav discussions, and our appreciation of the Foreign Minister's frankness and willingness to keep us informed upon this matter.

2. Inform the Foreign Minister that Ambassador Allen will be most happy to discuss these problems freely with him during the Foreign Minister's visit to Yugoslavia.

3. As the Foreign Minister knows, the United States favors the development of Yugoslav-Greek-Turkish cooperation to the maximum extent consistent with the responsibilities of Greece and Turkey to NATO. It was, however, consideration of the responsibilities of the US, UK and France to NATO which counted in large measure for the limitations upon General Handy's terms of reference, which in turn seem to have disappointed the Yugoslavs but which in the last analysis might act as a spur to progress between Yugoslavia and Greece and Yugoslavia and Turkey.

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[2]See footnote 7, Document 316.

[3]*Supra.*

[4]Printed as telegram 3207 to Paris, Document 313.

4. As to the question of encouraging Yugoslavia to join NATO, we regret that we are unable at this time to give the Foreign Minister definitive views of the United States. This is a matter which must be considered at the highest governmental level in light of an evaluation of all pertinent factors, including, of course, the reaction of other NATO members. Similarly, we are not yet in a position to advise the Foreign Minister upon the question of a separate tripartite security organization linked with NATO.

5. Until it becomes possible to foresee the manner and means by which military planning with Yugoslavia will be integrated into the NATO military framework it will be impossible fully to resolve overlapping aspects of US/UK/French-Yugoslav, Yugoslav-Greek, and Yugoslav-Turkish cooperation and planning, nor can the total impact of this planning upon political relations between Yugoslavia and the West be calculated. The Department does not, however, anticipate that this temporary disability should prove an insurmountable impediment to progress. Meanwhile, the United States hopes that rapid and concrete progress can be made in military planning in Greek-Yugoslav and Turkish-Yugoslav military talks, although there might be positive value in including the explicit reservation that understandings reached on a bilateral level would be subject to subsequent coordination with arrangements made between Yugoslavia on the one hand and the US, UK and France on the other. It also should be clearly understood that all planning is on a purely contingent basis and hence subject to affirmative governmental decision at the time action is required.

6. In summary, the United States favors maximum possible progress in contingent military planning between Turkey and Yugoslavia and Greece and Yugoslavia, although we consider that there should be no commitment of forces at this time. Such commitment should of course be subject to governmental decisions in light of all circumstances and in consultation with NATO allies as appropriate.

No. 319

768.5/1-2653: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET ATHENS, January 26, 1953—4 p. m.

2248. Noforn. Based on limited data at its disposal Embassy submits for Department's consideration following summary Embassy's tentative views re position US should adopt toward current Greek Turkish Yugoslav negotiations:

Full realization defense potential in Balkan area can only be secured through exploitation and integration Yugoslav military capabilities.

Contingent military planning while useful can achieve real significance only in framework of political understanding setting forth in general terms nature of mutual obligations of parties and circumstances under which military plans would be implemented.

Necessity for some type of political arrangement apparently accepted in Athens and Ankara while Tito has now even publicly stated that such arrangements would be feasible.

Article 8 NAT prohibits member governments from undertaking international engagements in conflict with NAT. Mutual security arrangements between Greece and/or Turkey and Yugoslavia would not seem fall within purview of Article 8. Were such interpretation to prevail in instant case, precedent with dangerous implications might well be created. Moreover, political repercussions of action by NATO preventing development or arrangements obviously in interest of Greek national security might be serious.

We consider dangerous assume that, because of Tito's isolated position, increasingly close continuing Yugoslav collaboration can be insured without some type of reciprocal obligation either directly with the great powers or indirectly through nation or nations associated with the powers. Moreover, mutual security arrangements between Greece and/or Turkey and Yugoslavia would certainly be interpreted by USSR as having been undertaken with United States consent and to this extent would provide strongest possible deterrent effect.

We believe, however, integration Yugoslavia into NATO not necessary at this time and probably politically premature so far as popular attitude in United States and certain other NAT countries concerned.

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[1]Transmitted in two sections; repeated for information to Belgrade, Ankara, Paris, Rome, and London.

Consequently, Embassy considers that, in view apparent willingness if not eagerness of parties, Greece and Yugoslavia should be encouraged to reach political understanding. In order avoid conflict with NATO obligations such mutual political obligations should be drawn in flexible terms along lines of Article 5, by which attack on one country would be considered as an attack on both and which would hence obligate Greece and Yugoslavia to consider appropriate measures in the light of the circumstances then existing (presumably on basis previous joint military plans). It seems clearly understood (and desired) by Greece, Yugoslavia and Turkey that military plans would in fact be coordinated with NATO plans.

It is our impression that neither Greece nor Yugoslavia will specifically inquire at this time what action would be taken by US and/or NATO in the event Greek or Yugoslav Forces were to be engaged in implementation of such an obligation. We interpret present attitude Yugoslavia and Greece as willingness accept implied support of US and of NATO without raising *a priori* difficult hypothetic conditions. However, in event question raised as to US attitude it would seem appropriate for US reply simply that US would of course, accept without hesitation all obligations incurred as member of NATO.

We tend believe it is unrealistic contemplate attack on Yugolavia which would not result in general conflict. We believe by encouraging flexible arrangement between Greece and/or Turkey and Yugoslavia, we put ourselves in best possible position to discourage such an attack or to repulse it if it does in fact occur. In view of general nature of obligations under Article 5 NAT we do not believe arrangements between Greece and Yugoslavia would be calculated make it more difficult to localize the conflict in event of an attack against Yugoslavia than it would in event of an attack against Greece itself.

Under circumstances Embassy submits that US position should seek to obtain British and French approval to advise Greek, Turk, and Yugoslav Governments that we have no objection to conclusion of bilateral or trilateral security arrangements with Yugoslavia, bearing in mind such arrangements must be made in light of obligations of Greece and Turk to NATO and that military planning involved would be subject to coordination with appropriate NATO military agencies.

PEURIFOY

No. 320

868.811/1-2853: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET PRIORITY ATHENS, January 28, 1953—6 p. m.

2284. This morning Turkish Foreign Minister Koprulu invited British, French, and US Ambassadors to call upon him separately. Following summary my conversation with him which was devoted entirely to subject present Greek-Turk-Yugoslav negotiations:

During conversations while in Yugoslavia,[2] Tito assumed initiative in proposing tripartite treaty of friendship between Greek-Turk-Yugoslavia. Tito explained such tripartite agreement would be extremely useful in conditioning internal Yugoslav public opinion and would also produce helpful psychological and propaganda effect internationally vis-à-vis Soviets.

Koprulu immediately replied Turkey would be prepared enter into such treaty providing conditions of treaty were in no way in contravention with Turkish obligations under NAT. He informed Tito that although not authorized speak for Greece he assumed Greece would likewise be prepared participate in such treaty under similar conditions. Koprulu informed Tito he hoped such a political arrangement would serve as intermediate step eventual Yugoslav membership in NATO.

Koprulu suggested to Tito that provision be made for eventual adherence of Italy and indicated he had certain sympathy for De Gasperi's delicate position internally with regard Trieste prior to elections. After hesitation, Tito replied he thought Italian adherences could be arranged but added that root of Italian-Yugoslavian mistrust stemmed from latent Italian aspirations to territory along Dalmatian Coast. Trieste issue itself was capable of reasonably prompt solution.

Koprulu told me that inasmuch as proposed treaty would be extremely simple document he saw no reason why tripartite working level drafting party could not meet shortly in Athens, to be followed by return visits of Greek and Yugoslavian FonMins to Ankara for purpose of signing, and ultimately another meeting of three FonMins in Belgrade for purpose of depositing ratifications of their respective governments.

From my conversation with Koprulu, I am under impression that in his view proposed treaty would (a) involve no specific commit-

[1]Repeated for information to Rome for Unger, Paris for Reinhardt, Belgrade, Ankara, and London.

[2]Regarding these conversations, see Document 311.

ments or obligations, (b) Provide for tripartite consultation in event of threat to security of one of members, (c) Be so drafted as to make clear that none provisions proposed treaty would conflict with or derogate from obligations Greece and Turkey as members NATO. Am also under impression that Koprulu consequently considers that under these circumstances such agreement need not be submitted to NATO for ratification, nor is there any need await further views US, UK, and France before proceeding. Koprulu specifically said, however, US, UK and France and Turkey's other (NATO) friends would, of course, be kept informed.

I was struck by Koprulu's deep interest in obtaining eventual Italian participation and his eagerness assist in solution Italian-Yugoslavian dispute. He expressed great respect and admiration for De Gasperi who as PriMin is over- burdened by his responsibilities as FonMin. He believes, moreover, De Gasperi's policy of attempting exert west pressure against Tito in his present isolated position in order insure an Italian solution to Trieste affair is unfortunate and miscalculated. He hopes, however, after Italian elections it will be possible persuade De Gasperi, assuming he retains power, take some steps which would reassure Yugoslavia with regard to Dalmation Coast and thereby pave way for early solution Trieste business and secure adherence proposed tripartite pact. Koprulu has called in Italian Ambassador here and frankly recounted his conversations with Tito so far as Italy was concerned.

In all, Koprulu appeared extremely satisfied with his progress in Yugoslavia and subsequently in Athens. He told me with amusement that when my British colleague expressed astonishment at speed with which he and Tito had reached their meeting of minds, he answered that both he and Tito were men of the people, frank and direct, and that were British policy also equally frank and direct, similar results might also be achieved.

In general, Embassy considers Greek-Turk-Yugoslavian negotiations, as outlined by Koprulu, have proceeded in most wholesome direction. I shall see Papagos shortly obtain Greek reaction Koprulu–Tito proposals.[3]

PEURIFOY

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[3]Telegram 2308 from Athens, Jan. 30, contained an account of a conversation between Peurifoy and Papagos in which the latter reported that the initiative for the tripartite agreement came not from Tito, but from Köprülü, who hoped to use it to facilitate Turk-Yugoslav military negotiations. (668.811/1-3053)

In a memorandum of Jan. 29, Bohlen recommended to Matthews that the Department of State, on the basis of the information contained in telegram 2284, formulate a policy on the tripartite negotiations. He recommended that the negotiations not be impeded, and felt that the conclusion of an agreement, Köprülü's intention notwithstanding, would not commit the United States to accepting Yugoslavia into NATO. (668.811/1-2853)

No. 321

611.811/1-2853: Telegram

The Acting Secretary of State to the Embassy in France[1]

TOP SECRET WASHINGTON, January 31, 1953—2:36 p. m.

4160. Eyes only for chiefs of missions, senior military attachés and specific addressees. Embassy London and Paris please inform FonOff as follows:

We assume that British and French have received from their representatives approximately same information as we have concerning Greek, Turk, and Yugoslav negotiations, particularly that contained Athens 2284.[2] If British and French do not appear to be acquainted with Koprulu's proposed formula for Treaty of Friendship please fill them in on three specific points mentioned reference telegram.

In US view proposed form of Treaty of Friendship would appear to avoid many difficulties and possible pitfalls which might otherwise be encountered in connection with any "political commitments" extended by Greece and Turkey to Yugoslavia. Koprulu's formula appears well calculated to encourage constructive military planning among three countries and to contribute to defense that part of Europe without at same time expanding obligations of other NATO members. On assumption eventual form of treaty does not involve any commitments other than those falling within limits of Koprulu's three points, we concur in Turkish view that it would not seem necessary to submit it to NATO for approval. We assume, however, that Greeks and Turks would wish to take appropriate action to inform NAC.

We have also noted and especially welcome evidence of willingness on part of all three nations concerned to leave the door open to later Italian adherence should the Italians be interested, and we hope that the three Governments will give due consideration to the merits to a public statement to that effect at the time the treaty is signed.

It should be pointed out to the British and French that in our view the proposed friendship pact as outlined by Koprulu does not prejudice either way eventual Yugoslav membership in NATO which is of course a matter for the accord of all members of that organization.

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[1]Drafted by Barbour and Thurston and cleared with Bonbright, Nash, Bohlen, and Wolf. Also sent to London and repeated for information to Athens, Ankara, Belgrade, and Rome.

[2]*Supra*.

After transmitting foregoing to British and French, inform them that we propose within next few days to instruct our Ambassadors Athens and Ankara to seek appropriate occasion to speak in same sense with Greeks and Turks. Prior taking this action we wish ascertain reaction of British and French partners and hope their comments may be forthcoming soon in order that necessary instructions may go forward. We do not believe that anything in nature of a tripartite *démarche* would be necessary or desirable, but it is obvious that our common interests would be furthered if our respective Ambassadors are prepared to speak with Greeks and Turks along basically the same lines when appropriate occasion arises.

MATTHEWS

No. 322

668.811/2-653: Telegram

The Ambassador in Turkey (McGhee) to the Department of State[1]

TOP SECRET ANKARA, February 6, 1953—noon.

969. Re Embtels 956 of February 3 and 961 of February 4[2] reporting development of Turk-Greek-Yugoslav plans for tripartite pact, and other telegrams from Department, Athens and Belgrade on this subject.

Views submitted herein are for Department's consideration in connection with policy decisions posed by this question.

(1) Embassy welcomes Deptel 956 of January 31 to Ankara[3] as indication Department favorably disposed toward proposed tripartite treaty of friendship. Insofar as Turks concerned, there have been no indications conclusion treaty will be conditioned upon United States-United Kingdom-French concurrence, since Turks consider proposed pact completely consistent with Greek-Turkish NATO commitments. Turks are, however, always sensitive to views of United States and other two principal western allies and hope to receive our encouragement in this new undertaking in which they have assumed important role. Embassy hopes therefore, that United States, as well as British and French, will be speedy and

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[1]Transmitted in two sections; repeated for information to London, Paris, Athens, Rome, and Belgrade.

[2]Telegram 956 reported that Köprülü's recent visits to Athens and Belgrade had by his own account revealed real determination to conclude a formal tripartite agreement. (668.811/2-353) Telegram 961 reported that Köprülü himself hoped through the incipient agreement to bring Yugoslavia into NATO. (668.811/2-453)

[3]Telegram 4160 to Paris, *supra*, was repeated as telegram 956 to Ankara.

forthcoming in such encouragement, assuming final terms do not in fact contravene NATO or conflict with other United States foreign policy objectives. Such an attitude on our part should provide maximum opportunity for guiding course of pact negotiations along lines desired by United States.

(2) We believe early completion this limited pact advisable for following reasons:

(a) If more direct association Yugoslavia with NATO not possible in immediate future, delay in any substantive step in that direction would probably tend to discourage Yugoslavs and might in fact militate against their eventual effective collaboration with west. Turks feel Yugoslavia now psychologically ripe for such a role through fear of being isolated. Notwithstanding practical limitations in terms of proposed pact, Yugoslavs should as result of pact feel more closely linked with west.

(b) Proposed pact, although general in nature, will meet immediate need for some formal basis upon which collaboration between Greece, Turkey and Yugoslavia can be continued and intensified in fields of contingent military planning, economic and cultural relations, as well as in advancing general political understanding.

(c) Proposed pact affords opportunity, apparently with little risk of effective Soviet retaliation, for positive step or "psychological offensive" in general cold war relations. Elements within satellite countries which are hostile to Soviet domination, particularly those in Bulgaria, should be encouraged by pact.

(d) Encouragement of three countries at this stage in development of pact should have salutary effect on our relations with them. With little advice or encouragement from western powers, three countries have on their own made commendable progress in worth while project. It is believed that we should encourage such constructively led initiative which serves to relieve US of direct reponsibilities and charge cold war is only US-Russian struggle.

(3) Proposed pact is considered justifiable as end in itself even if nothing further results. It is recognized, however, that creation pact will inevitably be regarded by three signatories as logical step in direction of association Yugoslavia with NATO in one form or another. Turks were quite clear in their statement to Yugoslavs that this is their objective. Turks feel so stating is not inconsistent with their NATO obligations, since they recognize clearly that no action can be taken in this respect without approval other NATO members.

(4) Embassy recognizes that US policy on Yugoslav association with NATO is matter which must be decided by Department in light overall analysis situation. On basis information available to Embassy, however, we recommend that Department adopt Yugoslav association with NATO as objective and seek by appropriate means to bring it out, in one form or another, as determined most

feasible by Department. This view is supported by following considerations:

a. From strictly military viewpoint it is understanding from military authorities that, without assurance that there will be coordinated defense of Thrace by Greece, Turkey and Yugoslavia, there is no certainty that Thrace could be held against Soviet attack, in which event Soviets could penetrate to Aegean and probably take Dardanelles-Bosphorus area. If this happens, Turkey would be separated from her Allies and would remain only as isolated area of resistance. Altho contingent "theoretical" military discussions can continue under proposed pact, effective integration military planning with Yugoslavia cannot be achieved in view restrictions on Greece and Turkey imposed by their membership in NATO.

b. From political viewpoint, proposed pact can be no more than stop-gap, since limitation upon practical effects will soon become apparent. It is clear that Turkey, and presumably Greece, wish more positive military collaboration with Yugoslavia which is of vital importance to their own security. Close political association between these countries, all relatively isolated from Western Europe and with less possibility for receiving assistance in event of war, would provide Greece and Turkey additional element of security to that which NATO provides. Conversely, Greece and Turkey might find it difficult to understand resistance by their NATO partners to step they consider desirable from general NATO viewpoint and vital to their own security.

5. Turks have told Yugoslavs that in their judgment any attack on Yugoslovia would lead inevitably to third world war. From strictly US viewpoint, it would appear at least improbable, either militarily or politically that an attack against Yugoslavia even by a satellite, could be treated as another Korea—an isolated war. If it can be concluded that west must react to Soviet or satellite attack against Yugoslavia it would appear preferable to so state clearly now and take advantage of the strong possible decisive deterrent effect this would have against aggression. In any event a NATO commitment is sufficiently flexible to give considerable latitude to choice of aid to be given Yugoslavia in event [they are] subjected to isolated attacks by satellite or Russia.

6. Turks recognize present objection by other NATO countries to direct Yugo adherence to NATO, which is their first choice, and are prepared to accept it in direct association. Foreign Minister has suggested informally creation of what he termed Southeast Europe defense organization including, he would hope, not only Greece, Turkey and Yugoslavia but also US, UK, France and Italy. Turks understand that principal specific opposition to Yugoslav NATO association would come from Italy, but feel that this is basically bargaining position to assure Italy favorable solution to Trieste problem, which they consider secondary and one which should not

stand in way of Italian step in common good. In Embassy's view, Italy's objections do not appear to have the substance which French objections for example have to admission of Germany to NATO; however, in latter case solution for problem thru EDC has been generally accepted. Turks argue that even if we do not fully trust Yugoslavia, the best course is to associate her with NATO. If Yugoslavia accepts NATO association it will be difficult for her to conceal her true intentions toward NATO or to make less than her maximum defense effort.

Turks believe military factors so paramount this juncture that political consideration should not be allowed to stand in way of all European countries joining NATO who are willing to cooperate in common defense against Russia.

McGHEE

No. 323

668.811/2-253: Telegram

The Acting Secretary of State to the Embassy in Greece [1]

TOP SECRET WASHINGTON, February 7, 1953—3:54 p. m.

2441. Eyes only Chiefs of Mission, Senior Military Attachés and specific addressees. Ref: London telegram 4258 and Paris telegram 4332.[2] Ambassadors Athens and Ankara may now utilize Department telegram 4160 to Paris[3] when speaking with Greeks and Turks regarding proposed Friendship Treaty with Yugoslavia. In so doing, they should add appropriate remarks along following lines:

(1) Regarding relationship of treaty to UN, we have noted Popovic has spoken of proposed pact as a "regional arrangement" (Belgrade 1082[4]) and Greek press has asserted treaty would be conformity treaty Article 52 UN charger [*Charter*] (Athens 2323[5]).

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[1]Drafted by Thurston and Marcy and cleared in RA, NEA/GTI, BNA, UNP, WE, EUR, and C. Also sent to Ankara as telegram 992 for action and repeated to Rome, Paris, London, and Belgrade for information.

[2]Telegram 4258 from London reported that the British were still uninformed as of Feb. 2 about the tripartite negotiations for the Balkan pact. (668.811/2-253) Telegram 4332 from Paris reported the French favored admitting Yugoslavia to NATO "in due course." (668.811/2-453)

[3]Document 321.

[4]Telegram 1082, Jan. 31, transmitted a summary of the recent talks between the Yugoslavs and Köprülü as related to Wallner by Popović. (688.82/1-3153)

[5]Telegram 2323, Jan. 31, transmitted a press report on a statement by Stephanopoulos to the effect that the form of the tripartite pact was then under consideration. (768.5/1-3153)

"Regional arrangement" is term under UN Charter used to describe arrangements coming within provisions Chapter VIII of the Charter which includes Article 52. "Regional arrangements" are primarily concerned with "pacific settlement of local disputes" (Article 52) and "enforcement action" (Article 53). It is clear that term "enforcement action" was not intended comprehend measures undertaken by states in exercise right of individual or collective self-defense, which are specifically recognized in Article 51, Chapter VII of Charter.

Under Article 54 (Chapter VIII) Security Council must be informed "of activities undertaken or in contemplation under regional arrangements for the maintenance of international peace and security". While US interprets this article as not requiring any reports to UN concerning type of planning for defense to be carried on by Greece, Turkey and Yugoslavia even if their agreements are considered as a regional arrangement, unfriendly states are nevertheless certain to claim failure to report is breach of Charter if the term "regional arrangement" becomes too closely linked with the agreements between Greece, Turkey and Yugoslavia.

For foregoing reasons, we and other NATO nations have always felt it important to note that NATO is primarily a collective security pact under Article 51 of UN Charter and not "regional pact" under Article 52. However, proposed Greek, Turkish, Yugoslav friendship pact as we understand it, is not a collective security pact but a friendship treaty. In any case, it is definitely technically incorrect to describe proposed pact as a "regional agreement" under Article 52. Participants should take every precaution to obviate possibility of Article 54 thus being applied to contingent military planning, which should, of course, not be reported to UN.

If Yugoslavs, Greeks and Turks wish, as they may well do, publicly relate Friendship Treaty to UN Charter, this might appropriately be done with reference the general objective and principles of the UN set forth in the preamble and Articles 1 and 2 of the Charter.

(2) Regarding continuing military contingent planning talks between Yugoslavs, Greeks and Turks, we are glad to note apparent intent of all concerned that contingent military planning continue on tripartite basis as matter separate and distinct from Friendship Pact. As we have made known on several occasions, we believe as much progress as possible in this direction should be made. Interjection of "political commitment" concept into problem of military talks had been one of principal difficulties encountered in our thinking regarding desirable direction for *rapprochement* between Yugoslavs, Greeks and Turks. We are particularly pleased at direction this has now taken since, no matter how carefully worded and

notwithstanding strict interpretation of terms Article 8 NAT, geographic situation of Balkan area involved is such that exchange of commitments going beyond those outlined in Athens 2284[6] could result in hostilities which were initially directed solely against Yugoslavia, in fact embroiling Greek and Turkish forces and thereby possibly leading to invocation NAT and factual involvement of all NATO. By same token, present formula averts situation which might call for consideration of specific proposals contained last sentence section 1 Athens 2248[7] and last paragraph section 2 same telegram which would have serious implications for NATO as a whole.

Regarding Koprulu's suggestion of US observer at Greek-Turk-Yugoslav military conversations, we are not prepared comment at this time. We feel that question coordinating Greek, Turk, Yugoslav military planning with our own cannot be separated from larger and more complex problem integration of military planning for Yugoslavia into Western defense structure, a problem which still requires considerable study by all concerned.

London and Paris should convey substance foregoing to respective Foreign Offices. Paris pass Reinhardt; Rome pass Unger; Belgrade pass Harmony.

MATTHEWS

[6]Document 320.
[7]Document 319.

No. 324

868.811/2-1453: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET ATHENS, February 14, 1953—6 p. m.

2465. While Greek-Turk-Yugoslav negotiations are moving smoothly and rapidly along lines we have desired, there would seem to be one aspect which requires serious consideration on our part.

Second numbered paragraph of Deptel 2441, Feb 7[2] stressed Department's concern that tripartite military negotiations not result in commitments which could, should Yugoslavia alone be attacked, involve first Greece and Turkey and through them other NATO

[1]Repeated for information to Ankara, Rome, Paris, London, Belgrade, eyes only Chiefs of Mission and Senior Military Attachés.
[2]*Supra*.

powers. For this reason it has been Department's desire that these negotiations, which we have consistently encouraged, be on "contingent" basis.

Embassy doubts whether it is realistic to believe that military negotiations of character already assumed by Greek-Yugoslav conversations can avoid tendency toward creation certain implicit obligations. As Department will have observed from minutes of January meeting,[3] there has already been discussion of present disposition of forces and of coordinated deployment of Greek-Yugoslav divisions in case of hostilities. While Ankara meeting next week may be limited to exploring relationship of Turkish Forces, subsequent conversations will tend to ripen into arrangements for joint operations in case of war and to make war plans of each party increasingly dependent on anticipated collaboration of other powers. If one is attacked, it can then allege that planned support of its neighbors is essential to its effective defense.

Not only do we surmise that this will be likely effect of continued Greek-Turk-Yugoslav military negotiations but we also believe that if US, UK and France should attempt to interrupt this evolution at this stage, by insisting that Greeks and Turks avoid undertakings of any sort, effect on Tito would be to revive suspicion, which appeared during Handy conversations,[4] that West intends to let him fight alone, while Greeks and Turks also would feel that their much advertised scheme for Balkan defense had been reduced to empty gesture along lines of ineffective prewar Balkan *entente*.

It is Embassy's belief that, should Yugoslavs be attacked by Soviet States including Bulgaria, it would be in interest of effective Western defense and hence of US that Greece and Turkey immediately come to her aid. This seems to us very essence of successful Balkan defense, not to mention eventual counter-offensive which Marshal Papagos envisages. Whether some or all other NATO powers would immediately come to aid of those involved under these circumstances, would presumably depend partly on NATO military plans and capabilities and partly on political exigencies. We do not however believe that Greeks and Turks should be urged to limit military conversations in such way as completely to avoid any shadow of commitment. To do so would stultify these conversations. On contrary, we believe that NATO military authorities can take advantage of natural course of these conversations to bring Yugoslavs indirectly within scope of NATO strategical planning in

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[3]Presumably reference is to the minutes of the Greek-Yugoslav military conversations of Dec. 27, transmitted in despatch 801 from Athens, Jan. 10. (768.5/1-1053) For a summary of these conversations, see Document 314.

[4]Regarding the Handy talks of November 1952, see Documents 661 ff.

way that may not otherwise be possible for sometime to come, for very reason that Western powers are not presently prepared to make any commitment to Tito and hence can expect only limited collaboration from him.

In formulating US position, we must recognize fact military discussions Greek-Turk-Yugoslav based on convictions shared all participants that major attack on Yugoslavia will lead to general conflict. Were it not for this conviction, doubt seriously whether discussion would have been undertaken on scale planned. It is equally obvious that Greeks counting on US support in event their troops become engaged as result attack on Yugoslavia.

In any case Greeks hope and expect to receive shortly from US guidance as to course which we desire tripartite military negotiations to take and as to manner in which resulting joint plans can be coordinated with NATO planning. We believe Greeks and Turks sincere in their stated determination avoid any infringements their NATO obligations. At same time they may be imperceptibly led farther than they intend. We believe this possibility increases need for NATO or, if that is not feasible, US military to maintain closest liaison with Greek-Turk negotiators and step by step to coordinate tripartite planning with NATO plans.

PEURIFOY

No. 325

Editorial Note

At the initial session of the Greek-Turkish-Yugoslav political discussions in Athens on February 20, the Yugoslav representatives presented a draft of a friendship treaty which included the following as Article 4:

"The agreements or recommendations concerning military collaboration, accepted by common accord by the chiefs of the general staffs (or their plenipotentiaries), shall, after being approved by the governments of the Contracting Parties, form part of this treaty."

This draft treaty, transmitted in telegram 2507 from Athens, February 20, was countered by a Greek draft which recognized in the preamble the importance of organizing for common defense, but which provided only for consultation in the event of hostilities directed against one of the parties and which specifically reserved for Greece and Turkey the right to avoid action which might be deemed to be in contradiction of the United Nations Charter or the North Atlantic Treaty. This draft was transmitted to the Depart-

ment of State in telegram 2508 from Athens, February 20. (668.811/2-2053)

No. 326

668.811/2-2053: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET NIACT WASHINGTON, February 21, 1953—2:05 p. m.

2591. We are concerned at scope of treaty apparently contemplated by both Greeks and Yugoslavs (reference Athens telegrams 2507, 2508, 2509[2]). Yugoslav draft (Articles 2 and 4) and only to lesser extent Greek draft (Article 4 and description of treaty as one "of mutual assistance" in preamble) seems to us to raise very problems which we have all been anxious to avoid: namely imbuing treaty with character of mutual assistance pact, rather than restricting it to friendship and consultation. In order to avoid NATO and other implications, commitment must in our view go no farther than commitment to consult as to such common measures as might be required, and not extend to commitment to lend assistance no matter how qualified by references to United Nations, et cetera. We recognize that there may be merit in argument that political accord has no significance unless formally related to military understandings. We feel however, that there is valid reason for separating two aspects in that international political atmosphere is not such that commitments of this scope may be entered into at this time.

Ambassadors Athens and Ankara are authorized to speak informally with Greek and Turkish Governments, and with their British and French colleagues, in sense of this telegram, impressing upon former that unless it is possible to redraft treaty to exclude element of precise commitment to assist serious problem for all NATO members would be created and, we would see the necessity of consultation with at least our principal and possibly all our NATO allies. If Greeks and Turks are able to persuade Yugoslavs that their mutual purposes might be harmed rather than furthered by inclusion of such language and thus to agree upon modified

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[1]Drafted by Marcy and Thurston; cleared by Knight, Wolf, Baxter, Bonbright, and Matthews; and signed for the Secretary by Bohlen. Repeated for action to Ankara as telegram 1073, to Belgrade as 1070, to London as 5611, and to Paris as 4551 and Rome for information.

[2]Regarding telegrams 2507 and 2508, see the editorial note, *supra*. Telegram 2509, Feb. 20, commented on the implications of both the Greek and Yugoslav draft treaties. (668.822/1-2053)

draft (e.g. first sentence Greek Article 4) we see no reason timetable envisaged by Athens telegram 2519 to Department[3] cannot be met. We feel, this connection, that Yugoslavs have put forward their maximum wishes for bargaining purposes and may be prepared accept considerably less.

Although we recognize that draft texts may have been given Embassy Athens in confidence, we feel that this matter is of such major importance that we must consult our British and French allies. Embassies London and Paris therefore authorized give British and French Foreign Offices substance of Athens telegrams 2507, 2508 (but not 2519), all to Department, as well as of this telegram, expressing our hope that those two Governments will communicate with their Ambassadors in Athens, Ankara authorizing them to consult and concert as appropriate with our Ambassadors in endeavor to bring negotiations back onto acceptable ground. In doing so, of course, our Ambassadors should make it clear that our reservations regarding the actual form of the treaty between the three powers must not be construed as watering down our approval of the concept of Greek-Turk-Yugoslav *rapprochement* or as placing limits on contingent military talks concerning which our views have already been made known to all concerned.

This telegram for Belgrade information only, although if Yugoslavs raise issue Ambassador may draw upon substance.

DULLES

[3]Telegram 2519, Feb. 20, reported that the Greeks, who were concerned that a delay in the conclusion of a tripartite treaty would have unfavorable effects politically, were amenable to accepting the Yugoslav article on military cooperation as long as Greek and Turkish NATO obligations were stressed in another article. (668.811/2-2053)

No. 327

668.811/2-2653: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET ATHENS, February 26, 1953—4 p. m.

2576. Stephanopoulos last night expressed to us some concern at Popovic attitude after initialling tripartite agreement. He said Yugoslav Foreign Minister was bitter at outcome of controversy over drafting and had declared that "great powers" do not fully understand importance of this part of world nor necessity of organizing its defense on concrete and firm basis.

[1]Repeated for information to Paris, Belgrade, Ankara, Rome, and London.

It was clear that Greeks and Turks had made apparent to Yugoslavia that they were revising critical paragraphs at insistence of United States and United Kingdom and that Popovic has resented our intervention. It also may be that, since Papagos and Stephanopoulos desired to go further than we desired, latter may have been overplaying Yugoslav dissatisfaction, as we have no other evidence that they were not on whole reasonably content.

Following line set forth Belgrade's 1209, February 23 to Department,[2] we pointed out that we are, of course, fully aware of importance organizing defense of Balkan area and that our concern has been lest unnecessary apprehensions be raised among NATO members by premature and hasty action. Stephanopoulos replied that he fully understood but hoped that we would make this clear to Yugoslavs. I said that I was sure our Embassy Belgrade would do so.

General Dovas informs us that military conversations in Ankara went smoothly and that full text of minutes[3] will be transmitted to us as soon as translated. He said sum of conversations was essentially to bring Turks up to point reached by Greeks and Yugoslavs at Athens meeting in January. He added that both Yugoslavs and Turks are pressing for more concrete understandings at next meeting and that he felt that meeting should be delayed until it is clear how far military representatives will be authorized to go. He said, for example, that Turks are prepared to agree that an attack against one shall be considered an attack against all, to which Dovas had replied that this is matter for political decision.

We feel that this trend emphasizes importance of United States, United Kingdom and French deciding earliest how far these tripartite military conversations should go and giving appropriate guidance to Greeks and Turks. As we see it, basic question is whether Yugoslavs can or cannot be given any assurance that, in case of attack, they can count on Greece and Turkey implementing joint war plans which are now being worked out among three General Staffs.

PEURIFOY

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[2]In telegram 1209, Allen urged that the Yugoslavs be assured that the removal of the military provisions from the draft treaty was being recommended only for reasons of timing, in view of the sensibilities of certain NATO members, and not because the United States opposed the principle of Balkan military cooperation. (668.881/2-2653)

[3]The minutes were transmitted in despatch 1048 from Athens, Mar. 12. (768.5/3-1253)

No. 328

Editorial Note

On February 28 in Ankara, the Treaty of Friendship and Assistance between Yugoslavia, Greece, and Turkey was signed by the Foreign Ministers of the three contracting states. Known formally as the Treaty of Ankara, and normally referred to in published accounts as the Balkan Pact, the text did not include the provision advocated by the Yugoslavs for the appending to the treaty of any tripartite military agreements subsequently to be negotiated by the three parties. The treaty was to enter into force upon ratification by the three signatories. The Greek and Yugoslav Parliaments ratified the treaty on March 23, the Turkish Parliament on May 18. For text of the treaty, see *Documents* (R.I.I.A.) for 1953, page 271.

No. 329

668.811/2-2453: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET WASHINGTON, February 28, 1953—12:45 p. m.

2666. Eyes only Chiefs of Mission, Senior Military Attachés and specific addressees. Paris pass Draper, Reinhardt (Noforn); Rome pass Unger (Noforn); Belgrade pass Harmony.

British and French Embassies have made formal approach to Department along lines foreshadowed by London 4740 and Paris 4754 to Department.[2] We understand that British and French *démarches* to Greece and Turkey have also already been made.

Central problem to which British and French are seeking solution has equally been of concern to us. Problem seems to have dual aspect:

(1) Ensuring that such contingent military planning as may develop from Yugoslav, Greek, Turkish military discussions be cleared with NATO military (not civil) authorities, as being consonant with NATO military planning and

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[1]Drafted by Marcy and Wolf; cleared in RA, GTI, WE, BNA, EUR, C, and Defense; and signed for the Secretary by Barbour. Also sent to Paris, Ankara, and London and repeated for information to Belgrade and Rome.

[2]Telegram 4740 from London, Feb. 24, reported that the British Government agreed with the United States that the Greeks and Turks should submit to NATO any plans for implementing military cooperation with Yugoslavia. (668.811/2-2453) Telegram 4754 from Paris, Feb. 24, conveyed similar sentiments from the French Government. (760.5/2-2453)

(2) Reassuring NATO members that Greek and Turk responsibilities vis-à-vis NATO (including Greek and Turkish obligation consult under Article 4 NAT) will be in fact honored, and that NATO commitments not in fact extended.

Embassies London and Paris please discuss following US proposals to meet this problem with respective Foreign Offices, with request for urgent comment.

We tend to believe, particularly in light of C–M (52)(131), Italian statement on MC–14/1[3] at December Ministers meeting, that it would be very unwise to have any aspect of tripartite treaty, or of contingent military planning to flow therefrom, come before Council in a way that would force the Italians to take dissenting position. Therefore we suggest:

(1) Notification of terms of treaty to NAC by Greek and Turks following signature, with explanation that it does not extend NAT obligations, and assurance to NAC that military plans developed as result of treaty will be coordinated by Greece and Turkey with appropriate NATO command to make sure plans of Greeks and Turks are consonant with NATO plans. Greeks and Turks should add that they contemplate consultation under Article 4 NAT in connection any emergency or unprovoked aggression which would raise question of implementation contingent plans.

(2) Assume that Italian permanent representative could go along with mere "notation" of this statement.

If British and French concur, Embassies Athens and Ankara are authorized, preferably on joint basis with British and French colleagues, approach Greeks and Turks along foregoing lines, so that action may proceed soonest. Rome should not raise this matter with Italians, but may once British and French approval received, use substance this telegram if De Gasperi should raise this question.

In view above we do not believe action vis-à-vis Greeks and Turks requested of us by UK and France is now necessary. In our view, our position regarding necessity for some form of consultation with NATO has already been made adequately clear to both Greeks and Turks in course series informal discussions our representatives have had with them during negotiations leading to Friendship Pact. What remains, as between ourselves, Greece and Turkey, is to clarify the form such consultation should take, which above proposals are designed to do.[4]

DULLES

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[3]Neither found in Department of State files.

[4]According to telegram 4913 from Paris, Mar. 4, the French agreed to concert with the United States and United Kingdom in making a *démarche* in Athens and Ankara along the lines of that proposed in this telegram. (760.5/3-453) On Mar. 6, the British similarly agreed. (Telegram 4961 from London, Mar. 6; 760.5/3-653)

No. 330

760.5/3-2453: Telegram

The Ambassador in Turkey (McGhee) to the Department of State[1]

TOP SECRET ANKARA, March 24, 1953—1 p. m.

1180. Noforn. In conversation with Foreign Minister today I attempted clarify what appears to be ambiguity in Turkish position regarding objectives military discussion pursuant tripartite pact (see Embassy telegram 1159 of March 17[2]) and contradictions with position of Greeks as reported Athens 2737 of March 11 to Department.[3]

I pointed out to Foreign Minister that although I fully accepted explanation given me in meeting on March 16 (Embassy telegram 1159), minutes of last triparite meeting held in Ankara on February 17-20 (see Athens 2591 of February 28 to Department[4]), which he had shown us, would if shown in their present form obviously because of concern to NATO command and other NATO countries.

Foreign Minister replied along line previously taken (see Embassy reference telegram) to effect wording that of military representatives and unmindful of legal and political matters. I pointed out that if, as Minister had told me, all tripartite military talks were on contingent and theoretical basis only, this should naturally be reflected in conversations and consequently in minutes. Foreign Minister said this would be case in future conversations and that he hoped minutes on last conversation referred to would on occasion of next tripartite meeting be redrafted accordingly. He hoped also at next meeting to obtain Yugoslav agreement to show minutes to NATO command.

I then stated we had derived impression Greeks had different concept of objectives tripartite conversations that those expressed to me by Foreign Minister, i.e., Greeks appeared to expect conversations to result in tentative agreement to specific military plans

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[1]Repeated for information to Athens; Belgrade; London; Paris for the Embassy, SRE, and Reinhardt; and Rome.

[2]Telegram 1159 reported that Köprülü, who resented the recent tripartite *démarche* (see footnote 4, *supra*), regarded the Greek-Turkish-Yugoslav military meetings as only theoretical in nature and therefore did not want to submit the minutes to the North Atlantic Council for fear of arousing suspicion among certain members. He was, however, willing to submit the minutes to concerned NATO commanders. (760.5/3-1753)

[3]Telegram 2737 reported that the Greeks were anxious to submit the minutes of the Greek-Turkish-Yugoslav military conversations to NATO for approval. (760.5/3-1153)

[4]Presumably, this should be a reference to telegram 2599, Feb. 28, which transmitted the summary minutes. (868.811/2-2853)

which, after approval by appropriate NATO authorities, might be officially adopted by three governments.

Foreign Minister replied that he believed this was in fact true of thinking of certain elements in Greek Government, i.e., General Papagos and general staff had this view and in fact wanted to go much further in tripartite talks than Stephanopoulous had indicated in tripartite negotiations. He stated that since agreement all three parties required, Turks would be able insure Greeks would not go far in talks as actual agreement to military plans.

Foreign Minister volunteered that although he did not consider it appropriate for Greeks and Turks take initiative vis-à-vis NATO commanders in presenting military plans for their approval, if the NATO commanders wished three countries to make plans through tripartite military discussions, he thought they would be willing to do so.

I suggested desirability of Turks discussing question of objectives of tripartite military talks with their Greek allies at earliest date, so they could adopt common policy vis-à-vis NATO. Foreign Minister promised take matter up with Greek Ambassador soonest.

McGHEE

No. 331

760.5/6-653: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET
PRIORITY

ATHENS, June 6, 1953—2 p. m.

3558. Noforn. Reference (a) Embtel 3417 May 20, (b) Embtel 3088 April 16; (c) Embtel 2599 February 28.[2]

In initial meeting tripartite military representatives Turkish delegate, much to surprise Greek representatives, stated his government opposed any change in summary report tripartite military conversations Ankara February 17–20 (reference (c), second paragraph numbered section I). He noted that tripartite military consultations based on hypothesis "attack against one would be considered attack against others" and stated his government considered it desirable this hypothesis be recorded. Yugoslav delegate opposed

[1]Also sent for action to Paris for Reinhardt and SRE, and repeated for information to Belgrade, London, Ankara, Rome, and Frankfurt.

[2]Telegram 3417 reported that the Yugoslavs had accepted a Greek suggestion that a second round of tripartite military conversations start on June 3 in Athens. (760.5/5–2053) Telegrams 3088 and 2599 are not printed. (760.5/4–1653 and 868.811/2–2853, respectively)

change summary record on ground government does not wish correct document originally signed by Assistant Chief, General Staff, but otherwise took no part in discussion this subject. Greek representative expressed view issue a political matter and, therefore, not properly subject this meeting military representatives. He agreed military conversations proceeding on assumption attack against one would not remain localized but stated there no reason put this assumption in writing. This subject dropped as representatives took up agenda items but will probably be raised again before termination this meeting.

Greek Government had assumed this issue resolved by revision summary minutes proposed by Turkey in April (reference b) and before Wednesday had no indication Yugoslavia had not agreed with revision. Bearing in mind Koprulu recommendation to Dulles that Yugoslavia be incorporated NATO[3] and Turkish initiative in endeavoring obtain NATO participation these tripartite discussions, Greeks find themselves in difficult position in that they believe Turks proceeding at much too fast a pace in direction of developing friendship pact into firm military alliance but fear that if they appear cool towards Turkish suggestions, Yugoslavs might question depth of Greek interest. Greek Foreign Office considering compromise solution whereby summary minutes Ankara meeting will be adopted as originally signed by chiefs of delegations with understanding that, in forwarding summary record to NATO, Greece and Turkey would include statement to effect that all decisions taken at this military conference are in accordance with that section of the tripartite friendship agreement which states that "rights and obligations deriving for Turkey and Greece from North Atlantic Treaty" not affected.

From Greek point view, situation anomalous in that military discussions primarily significant in terms common Yugoslav-Greek areas and fact that Turks in current meeting have already indicated they contemplate only passive defense in Thrace with objective holding line in defense Straits and that they not prepared be as frank as Yugoslavs and Greeks in providing information regarding disposition forces.

Embassy also informed that in accepting Yugoslav proposal that agenda include defense Thrace Turks requested consideration defense northwest Yugoslav frontier. Greek speculation (colored by distrust comparatively aggressive Turkish foreign policy Balkans

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[3]During his Middle Eastern tour, May 9–29, 1953, Secretary Dulles and Köprülü held a conversation in Ankara on May 26 in which the Turkish Foreign Minister made this recommendation. For documentation on Dulles' trip, see vol. IX, Part 1, pp. 1 ff.

and Middle East) is that Turks making plea for Italian support by endeavoring smoke out Yugoslavs with respect their intentions regarding defense areas adjacent Italy.

While ultimate view Yugoslavia with respect revision summary record Ankara meeting not yet clear, Greek Foreign Office finds Yugoslav position in closer conformity with realities of delicate NATO political problem than its Turkish position. Foreign Office understands that in reply Turkish suggestion that NATO Military Commander be invited participate this meeting, Yugoslavia stated that army and people know that in event attack they will bear burden of resistance and that they will be assisted by Greece and Turkey. If NATO Commander participates meeting Yugoslav peoples will obtain impression that powerful UN or NATO forces will share burden. Yugoslavia added that they saw no need presence NATO Commander in view fact tripartite agreement clearly provides that Turkish and Greek obligations must be in conformity with NATO position. Yugoslavia assumes Greeks and Turks consult appropriate NATO body and that coordination thereby achieved.

Embassy will endeavor encourage Greece hold out for revision summary record Ankara meeting suggesting that Greeks endeavor persuade Yugoslavs and Turks inadvisable take risk creating serious political problem NATO. Department and SRE views requested regarding solution contemplated by Greek Foreign Office. Reference Turkish request for discussion northwest Yugoslav defense (to which Yugoslavia has agreed), Embassy fears this may be unnecessary meddling into area which would be subject United States, French, British discussions with Yugoslavia when Handy talks resumed. Embassy has not commented on this issue and requests instructions from Department.

PEURIFOY

No. 332

760.5/7-2053: Telegram

The Ambassador in Italy (Luce) to the Department of State[1]

TOP SECRET PRIORITY ROME, July 20, 1953—9 a. m.

243. Have discussed with General Schlatter substance Athens 142 repeated Rome 5, Paris 6, London 7, Ankara 13, Belgrade 12, July 15.[2]

Failure Foreign Ministers establish joint military staff during recent Athens meeting regarded most seriously by CINCSOUTH, since this would appear to preclude joint military planning as envisaged in recent military staff talks. Development regarded even more seriously in view Stephanopoulis statement that this failure resulted from Yugoslav resentment against reluctance by Turks to make political commitment that attack against one should be regarded as attack against all three.

Alleged Yugoslav position on this issue directly contrary to guidance given Greeks and Turks by Admiral Carney, who proposed that talks be conducted entirely on national military level without involving political commitments or extending area of NATO obligations. Interesting, moreover, that Stephanopoulis should attribute reluctance in making such commitment to Turks, in view of action by Kitrilakis in recent military talks to advert what Carney considered "air-tight military commitment" proposed by Turks.

Yugoslav position may furthermore be significant as foretaste of attitude which they will assume in Washington talks.[3] Minutes of last military meeting in Athens[4] gave no evidence that Yugoslav military regarded political commitment as precondition for continued military planning. Contingent staff study method appeared to be solidly accepted and to have formed adequate basis for future talks. Considered here that Yugoslav attitude expressed in Athens Foreign Ministers meeting reflects high-level political reversal of military staff position, possibly for bargaining purposes at Washington.

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[1]Repeated for information to Athens, Ankara, Belgrade, London, and Paris for Reinhardt.

[2]This telegram reported that the Yugoslavs argued in the face of Turkish opposition at the Athens Foreign Ministers conference of July 7–11 in favor of more specific military agreements than currently existed among the parties to the Ankara Pact. (768.5/7–1553)

[3]A summary report concerning these talks is in file 611.68/8–2453.

[4]The minutes of the Greek-Turkish-Yugoslav Tripartite Military Conference in Athens, June 3–12, described briefly in telegram 3558 from Athens, *supra*, are in file 760.5/7–2353.

General Schlatter will visit Greek and Turkish Military and Defense Ministry officials during course of courtesy calls starting July 18. Will also visit US Embassy Athens and Ankara where he will appreciate all information available concerning military plans situation resulting from failure to establish military joint staff.

LUCE

No. 333

760.5/11-2853: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

TOP SECRET ATHENS, November 28, 1953—3 p. m.

1419. Whereas first military discussions under tripartite pact (Ankara) outlined problems in defense common areas Yugoslav-Greece-Turkey and second meeting Athens established framework for cooperation, third meetings military representatives in Belgrade November 10–20 discussed specific military plan.

With some modifications and subject approval respective Chiefs of Staff and respective governments, third meeting adopted tripartite emergency plan of action submitted by Greek representative. Embassy understands plan had previously been informally referred Admiral Fechteler by Greeks. Emergency plan constitutes basic document which in course future meetings will be supplemented by more detailed appendices. Greek Government pleased with real progress made in coordinating defense effort and fact that military representatives have concrete program for future meetings. Greek General Staff points out that period of time required for formulating more detailed plans could be telescoped but they believe it more important firmly establish habit of cooperation between military representatives three countries. They therefore estimate planning will continue for perhaps next 12 months. Government hopeful that by fall 1954 more formal arrangements associating Yugoslavia with NATO defense effort may be achieved.

Final text plan not yet available but on basis working paper points set forth below appear to be of particular interest from political viewpoint. Text as finally approved may modify.

A. Purpose.

1. To coordinate defense of:

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[1]Repeated for information to Paris for Reinhardt and USRO, London, Ankara, Belgrade, Rome for Maffitt, Bonn, and Frankfurt for Satterthwaite. Cannon was appointed Ambassador on July 28, 1953. Peurifoy left Athens on Aug. 9 and Cannon presented his credentials on Sept. 2.

a. Yugoslavia area facing Bulgaria.
b. Central and Eastern Greek Macedonia.
c. Greek and Turkish Thrace.

2. Plan provides general directives and will be implemented in case of war according to form it will have at that time.

3. Plan will become effective after its final ratification by governments of participating countries.

B. General situation.

1. Plan prepared to meet general situation created by war imposed against Yugoslavia, Greece, and Turkey by invasion Bulgarian forces or Bulgarian-Soviet or other satellite forces. This war will not be restricted to three allied countries only but will be converted rapidly into a world war.

C. Assumptions.

1. When this plan placed into effect, Greece-Turkey-Yugoslavia will be co-belligerents against a common enemy.

Greeks suggested joint Greek-Yugoslavia defense of important potential invasion route through Yugoslavia connecting Struma and Varda valley. Forces would operate under Greek commander with joint staff. Yugoslavia offered counter-proposal providing that in time of war area would be defended by Greek division which would cooperate with Yugoslav division immediately to north and offered permit Greece send tactical teams study terrain and fortifications in peace time. Should modifications or expansion fortifications, mine area, et cetera, be necessary, Yugoslavia would undertake construction. Greek military thus unsuccessful commit Yugoslavs assign division this area. Greek military believes Yugoslav attitude based on following:

a. Yugoslavia did not wish at this time place a division of its forces under NATO commander.
b. Considerations of national prestige.
c. Intrinsic difficulties of operating Joint Staff.

Greek representatives accepted Yugoslav proposal with understanding subject can be reopened at later date.

On basis advance indications Greek representatives anticipated cool Yugoslav attitude toward recently concluded US-Greek facilities agreement. However, Yugoslav reaction US agreement was satisfactory except for complaint over fact Yugoslavia not informed prior conclusion. Yugoslav representative inquired whether agreement provided for naval and logistic bases.

Next meeting scheduled for Ankara. Date not fixed. Continuing to demonstrate initiative which has contributed so importantly to progress tripartite planning, Greek representative will submit draft working paper for next meeting.

Reflecting sincere Greek interest these discussions Prime Minister Papagos in speech before Parliament last night stressed key position tripartite pact occupies in Greek policy.

Final text plan and, we assume, minutes will as heretofore be made available us on informal basis near future.

CANNON

No. 334

760.5/12-953: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

SECRET PRIORITY ATHENS, December 9, 1953—midnight

1517. Foreign Minister told me night before last, Greek military anxious to round out their agreements on technical level at recent tripartite military conference Belgrade by formalizing certain points left open, because of political implications. He emphasized this proposal represented desiderata of general staff and might, or might not be practicable at this time. He then outlined points a possible "military agreement" would cover.

Anticipating reopening of this question, I had taken care before this conversation to review our records (see particularly Department telegrams 2591 and 2594, February 21 and 23[2]) and at once firmly reiterated United States position with which moreover he seemed to be fully familiar.

Note received last night briefly lists main elements Greek position and also states Yugoslavs will be informed of Greek views, which are as follows:

(1) Greece agrees, in principle, that military cooperation should take form of written agreement;
(2) This would be incorporated into Ankara pact and be integral part thereof;
(3) It would define conditions under which military cooperation would be possible.

In exposition of proposal for military agreement, Foreign Minister said it might cover these points:

(1) Common action to be automatic in case of attack in "common space" explained as Yugoslav, Greek and Turkish frontiers with

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[1]Repeated for information to Belgrade, Ankara, Rome for Maffitt, Bonn pass Frankfurt for Satterthwaite, Paris for USRO Hughes and Reinhardt, and London.

[2]Telegram 2591, Document 326; telegram 2594 recommended that any military planning done under the Ankara Pact then being negotiated would be done only on a contingent basis, and that this provision be included in the treaty. (668.811/2-2253)

Bulgaria's against any one of participating States, such attack to come from bases in Bulgaria;

(2) In case of attack from another region, meaning for example, an attack from Roumania pushing through Bulgaria States not attacked, would take "expediency measures" (state of alert) to be followed by decision after consultation of three States in NATO;

(3) Similar measures to be taken in case invasion has guerrilla character and affects any one of participating States. Foreign Minister assured me he does not underrate complications we have repeatedly mentioned, or difficulties to be encountered with NATO, or delicacy of situation pending Trieste settlement. He said he would welcome our study of whole question and observations and advice. As I pointed out, many problems involved, he said this is what military would like, but how far it could be carried is another matter.

Looked at in context Foreign Minister's remarks, three points cited third paragraph this telegram, may be taken to mean that Greeks do not consider themselves bound to make definite commitments at this time. Nevertheless, it goes far toward situation which we have been most anxious to avoid. Moreover, it is significant that in eleven months of Ankara pact development Greeks, and as they declare, also Yugoslavs and Turks, have come to believe something along these lines is essential to their national security. I learned tonight that one reason Greece feels impelled to take some forward step, is that they find Turkey so far in advance and so impatient of coordination, either with Greece or with NATO, that the formulation of a Greek position has become imperative. I have feeling that point about guerrillas is Greece's particular contribution.

For our guiding influence to be most effective, I hope Department's observations and instructions will discuss angle of national security in southeastern Europe mentioned in preceding paragraph, in framework United States-United Kingdom-French discussions with Yugoslavs and general European developments since last instructions issued. I think it quite probable Stephanopoulos will raise this question during his conversations at Paris. He leaves tomorrow morning.[3]

[CANNON]

[3]Stephanopoulos was departing for Paris to attend the North Atlantic Council meeting of Dec. 14-18. For documentation on this meeting, see vol. v, Part 1, pp. 454 ff.

No. 335

668.811/12-1053: Telegram

The Acting Secretary of State to the Embassy in Greece[1]

TOP SECRET WASHINGTON, December 16, 1953—6:45 p.m.

1937. Appreciate Embassy's anticipation Greek moves re military aspects Ankara Pact (Athens 1517 and 1524[2]). In addition references set forth, suggest Deptel 42[3] perhaps also useful as synthesis US position. In summary we are willing and anxious see Tripartite military planning as comprehensive and detailed as possible so long as such planning (1) is consistent with NATO plans and (2) is on contingent basis to become binding only if and when political commitment given. With these provisos we endorse Greek desire move forward along lines indicated in appreciation their concern for their own national security.

Foregoing represents most developed US Governmental position and provides agreed basis for your conversations with Greeks. Following specific comment represents additional Department views and may add useful background.

Procedures have already been worked out for SACEUR to be channel for Greeks and Turks to coordinate with NATO their planning with Yugoslavs, and we assume this procedure is functioning satisfactorily. In specific reference language numbered paragraph 3 Athens telegram 1517, we see no objection provided Greeks do not intend (a) that actual military plans become consummate part of Treaty nor (b) that such "incorporation" would represent agreement to take specific military action automatically should stipulated condition arise. Within this context, we agree that detailed plans should be developed for attack in "common space"; also that "expediency measures" to be taken in case of limited attack, and support measures to be implemented in case of guerrilla fighting, should be worked out and finalized. We observe (Athens telegram 1419[4]) that considerable progress this direction is being made.

Although perhaps contrary to usual procedures, we perceive no valid reason why plans cannot be made and remain contingent,

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[1]Drafted by Marcy and Dixon and cleared in EE, RA, WE, and EUR. Repeated for information to Ankara, Belgrade, Paris for USRO Hughes and Reinhardt, Rome for Maffitt, and HICOG, Bonn pass Frankfurt for Satterthwaite.

[2]Telegram 1517, *supra*; telegram 1524, Dec. 10, reported that Papagos himself intended to convey the substance of the third paragraph of telegram 1517 to the Yugoslavs, unless the United States had some objection. (760.5/12-1053)

[3]Telegram 42, July 3, instructed Peurifoy to remind the Greeks that the United States remained concerned about a premature attempt to bring Yugoslavia into NATO. (760.5/7-353)

[4]Not printed.

with formal political commitments to be exchanged later to make them binding. Actual taking of formal political commitment at this time, although it may be of value to Ankara nations, does not seem so pressing or important as necessity to accomplish basic detailed and coordinated contingent planning. In fact for purposes of meeting aggression a political decision taken at the first evidence of imminence of aggression could be as effective as a previous made political commitment provided basic planning and coordination had at that time been accomplished. The important element of a commitment for it to be operative is the community of intent to act together in case of aggression. While political expediency at this time obviously conditions and limits progress which can be made towards formal commitment, we believe that benefits in military planning sphere are concrete and can go a long way towards meeting the requirements of Greek and Turkish national security.

Timing as to when and if stage will be reached when contingent character of military planning with Yugoslavs may be dropped is, of course, dependent upon whether it could be done without placing strain upon NATO system and many other factors including Italo-Yugoslav relations. Also as both Greeks and Turks privately (and of course Yugoslavs) know, US, UK and France, will ultimately have to reach decision on recommendation of recent Tripartite/Yugoslav military talks that arrangements be made for Yugoslav-NATO military discussions. Additional piece in puzzle is possible ultimate relation between Italy and Ankara Pact nations. In very real sense these problems all related and will require time in their resolution. Meanwhile, we wish encourage all possible progress within limits dictated by present European political climate.

SMITH

No. 336

[illegible]2-1354 Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

TOP SECRET ATHENS, February 13, 1954—2 p. m.

2038. Noforn. Reference Department's telegram December 16, sent Athens 1937.[2]

Foreign Minister said reports had reached him that official American circles concerned possibility future *rapprochement* between Yugoslavia and Soviet Union. He expressed opinion Yugo-

[1]Repeated for information to Ankara, Belgrade, Paris, Rome, and Frankfurt.
[2]*Supra*.

slavs' eagerness conclude firm military alliance with Greece proof of Tito's good faith. He requested Department's current evaluation Tito's sincerity toward West and mentioned Malenkov's replacement of Stalin and recent removal of Djilas as new factors.

Foreign Minister went on to say that Yugoslavia desired mutual assistance agreement to replace present contingent planning and that he feared that further procrastination by Greece and Turkey on this issue would constitute a serious rebuff which might cause Yugoslavia to cool off towards whole scheme and increase the risk that Tito will cast his lot with the Soviet bloc. He stressed fact Yugoslavia exerting constant pressure for more binding military arrangement and pointed out that Marshal Papagos considered Yugoslav cooperation essential security of Greece. On this basis he requested Department reappraise situation and inform him soonest of our current views.

It is our opinion that while the Foreign Office clearly understands reasons for our position, it believes events have overtaken our December policy and hopes that some formula can be devised which will permit Ankara pact nations to formalize military commitment.

CANNON

No. 337

760.5/2-1354: Telegram

The Acting Secretary of State to the Embassy in Greece[1]

TOP SECRET WASHINGTON, February 16, 1954—6:44 p. m.

2460. Noforn (except Greeks). You may your discretion inform Foreign Minister Department knows no basis his reports alleging official American concern regarding position Yugoslavia (Athens telegram 2038[2]). While Tito's position between East and West is of course subject continuous evaluation on part this Government, and while new situation created by Malenkov's replacement of Stalin and ostensibly new tactics on part USSR have admittedly altered international climate and resulted in some "normalization" of relations between Yugoslavia and Eastern bloc nations, US best judgment continues to be that Tito sees balance his interest in continued cooperation with West. We have no evidence that the "normal-

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[1]Drafted by Marcy; cleared in NEA, WE, GTI, and RA; and signed for Smith by Bonbright. Repeated for information to Ankara, Belgrade, Paris, Rome, and Frankfurt.

[2]*Supra*.

ization" between Yugoslavia and the Eastern countries is any more than just that, and concur with Greek opinion that Yugoslav eagerness pursue military cooperation with Greece and Turkey as well as with US, UK and France is perhaps most concrete evidence that however much Tito feels his political situation requires him to adopt publicly an ostensibly equivocal position between East and West, he himself recognizes that his future is inextricably linked with West. While Djilas case has overtones in field Yugoslav-Western relations, its primary significance is internal reflecting impact on Yugoslav communist party structure of liberalizing influences of West. While initial result of Djilas downfall can be expected be negative as regards receptiveness to Western influences, we do not anticipate that this will alter basic orientation of the regime.

Regarding Yugoslav pressure for more binding military arrangements with Greece (and Turkey?), we regret that in present situation when satisfactory resolution Trieste issue remains to be worked out, we cannot usefully add to position we have already put forward (e.g. Department telegram 1937 to Athens[3]). We would observe however from accounts of recent military talks which Greeks have made available to US, that while very real progress has been made considerable remains to be done even on "contingent" basis. As we understand situation, the main emergency defense plan is not yet fully drafted and several subsidiary plans remain to be prepared for consideration of next *Entente* military discussions. We assume that even those which were prepared during the November meetings have yet to be approved by the respective general staffs, and then submitted to the three Governments for approval. Since draft master plan we have seen provides that plans will be effective as "first directive" of respective general staffs in the case of surprise attack and even in the absence of previous ratification by Governments, we suggest that there is still ample ground for further progress with the Yugoslavs under the present formula, and that the Greeks might well take the position with them that it would be premature to endeavor to alter the terms of collaboration before the potentialities of the present formula are fully exploited.

We sympathize with the Greek Foreign Minister's belief that contingent framework no longer fully serves our common purposes, and recognize importance which Greeks and Yugoslavs attribute to a satisfactory military understanding as an integral element their mutual defense plans. Greek Government well aware political considerations within NATO as concerns Italy and certain Northern European members which make it impossible (repeat impossible) advance Greek-Yugoslav military planning beyond contingent stage

[3]Document 335.

at this time. However, solution Trieste situation would permit thorough reexamination of military situation in Balkans without all political repercussions which would result if this problem were prematurely approached.

SMITH

No. 338

781.5 MSP/4-2054: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

SECRET ATHENS, April 20, 1954—noon.

2527. Noforn. Reference: Embtel April 16 sent Department 2507.[2] Despite call Turkish Chargé on Director General Foreign Office Saturday[3] "on instructions his government to emphasize fact Turkish-Yugoslav conversations referred only to eventual extension Ankara pact into defense alliance", top ranking Greek civilian and military officials continue shocked and hurt at action stemming from Tito visit Ankara. Communiqué issued at close visit[4] will probably relieve Greek Government of some public pressure, but doubtful whether it will substantially reduce resentment shared all responsible officials.

Over weekend Foreign Office spokesman issued statement to effect military alliance had from outset been recognized as natural development military discussions under Ankara pact, that Marshal Papagos had been first to speak publicly on this requirement but that question would have to be decided by Council Ministers of three participants.

Main elements Greek reaction include (1) surprise (Embassy Despatch 968, April 14[5]), (2) anger and embarrassment at what they consider to be Turkish irresponsibility and (3) conjecture regarding US position vis-à-vis Turkey on matter. While Greeks strongly object to inconsiderate action of partners in issuing statement of such importance on bilateral basis, their resentment against Turks

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[1]Repeated for information to Ankara, Belgrade, Frankfurt, Paris, and Rome.

[2]Telegram 2507 reported that the Greek Government was embarrassed by news reports that Yugoslavia and Turkey, during the course of a visit by Tito to the latter country, had "agreed on military alliance as part of Balkan Pact." (781.5 MSP/4-1654)

[3]Apr. 17.

[4]For text of the communiqué, Apr. 16, see *Documents* (R.I.I.A.) for 1954, p. 193.

[5]Despatch 968 transmitted a memorandum of conversation between Schnee and Kyrou in Athens concerning a recent staff level tripartite military conference in Ankara. (760.5/4-1454)

runs deeper. In their view Greeks not Turks have most at stake in developing effective military cooperation with Yugoslavs. Turks have consistently endeavored secure political advantage with Yugoslavs by promoting alliance concept when they knew that Greece, in support US position, was endeavoring postpone action. Greeks feel that as result Turkish tactics, Greeks who have contributed most to effective military cooperation placed in anomalous position of appearing less friendly to Yugoslavs.

In Embassy view, incident has not seriously threatened Ankara pact and military discussions, but it has injected new note of urgency into problem of coordination of Turk and Greek policy and this policy with US views. We believe it may still be possible to delay further action on military alliance for about six months, but only if two things are done. First: We would have to agree that if Trieste issue is not settled this fall, we will consider necessity of separating question of Ankara pact military alliance from Italian question. Second: Identical representations should be made to all three Ankara pact nations setting forth frankly Department's objections to excessive speed in direction of alliance. If US is not prepared take some such measures, we fear issue may soon arise in an even more pressing form. Best alternative course as we see it would be informal discussions among NATO countries with view to arriving at agreed formula for associating two pacts.

In appraising danger of lack Greek-Turkish coordination this issue, Embassy also bearing in mind fact Cyprus issue may also create serious additional burden on efforts place Turkish-Greek friendship on solid basis.

We are confidentially informed Tito will visit Athens last ten days May although public announcement will indicate June.

CANNON

No. 339

760.5/5-1754: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET WASHINGTON, May 17, 1954—9:12 p. m.

3260. As set forth Deptel 3171 to Athens,[2] substance of position therein is furthest we can go at this time (Athens tel 2669 to De-

[1]Drafted by Marcy; cleared in NEA/GTI, WE, EUR, BNA, and G; and signed for the Secretary by Barbour. Repeated for action to Ankara, Belgrade, London, and Paris, and for information to Rome and USPolAd Trieste.

[2]Telegram 3171, May 6, reiterated the U.S. view that the Balkan Pact should be encouraged without causing conflict within NATO. (760.5/5-654)

partment[3]). Subject concurrence posts directly concerned i.e. London, Rome, Belgrade, Athens and Ankara, Ambassadors Athens and Belgrade are therefore requested make *démarches* to Papagos and Popovic respectively along following lines and Ambassador Ankara to inform Foreign Office that *démarches* are being made in Athens and Belgrade, giving Turks substance thereof for their information.

Begin substance of démarches:

As Greek (Yugoslav) Government well aware, US has favored and continues favor fullest cooperation in all fields between Greeks, Turks and Yugoslavs, with however continuing proviso that Greek and Turkish obligations to NATO be not infringed. Department convinced continued growth understanding and cooperation between Greece, Turkey and Yugoslavia has been one of most encouraging developments of present unsettled times and feels that continued successful development will require careful judgment and timing. Such development would contribute in our view to attainment of broad policy goals which we are all seeking. US however feels constrained to draw attention of Greek (Yugoslav) Government to fact that over-hasty furtherance of this cooperation at this time might well upset the very delicate Trieste negotiations which have now reached most sensitive moment and thus serve to perpetuate a situation which has represented a real obstacle to the development of the very relations which the three Balkan nations and the US consider are so essential in our common interests and objectives.

Specifically the US feels obligated, by reason of the responsibilities it has assumed together with Great Britain in seeking to assist Yugoslavia and Italy to resolve their problems, to call the attention of the Greek (Yugoslav) Government to the fact that the public announcement at this time of further concrete developments toward a formal alliance as between the three partners of the Balkan *Entente* would in all likelihood prompt a reaction in Italy, which would prejudice Italian agreement on a basis of Trieste settlement which the US and UK hope shortly to be able to discuss with Italy as a result of the London discussions.

As the Yugoslavs, of course, know, and we are pleased at this time to be able to tell the Greeks and Turks for their very private information, the US and UK believe they and Yugoslavia are very close to agreement on a basis of Trieste settlement. As now contemplated, following final understanding with the Yugoslavs the US and UK will initiate similar secret negotiations with the Italians in the hope that they may be brought to agreement on the arrangements which will have been agreed to with the Yugoslavs.

While we do not wish to argue the question of whether or not Italian reaction should be permitted to delay the development of cooperative relations between Yugoslavia, Greece and Turkey, as a

[3]Telegram 2669, May 10, reported that Papagos felt compelled to "match" the Turk-Yugoslav position on a military alliance during the forthcoming visit of Tito to Greece, and that Papagos no longer felt able to propound the U.S. position on the Balkan Pact. (668.81/5–1054)

practical matter we must all recognize that the Italians will react strongly to any public indication at this time that Greece and Yugoslavia have reached concrete agreements looking toward the conversion at this time of the *Entente* into a military alliance. Having the forthcoming state visit by Marshal Tito to Athens in mind, the US Government has felt impelled to draw the foregoing considerations to the attention of our good friends the Greeks and Yugoslavs in the hope that they would find it possible so to guide their actions as to avoid creation of the situation we wish to avoid. We recognize that it is asking a great deal of both Governments, because of the substance of the issues involved as well as because of the public atmosphere of expectancy which has developed concerning Marshal Tito's visit. We would hope nonetheless that in any communiqué issued at the termination of Marshal Tito's visit, both sides would find it possible to limit themselves to statements containing specific reservations as to timing. (Ankara's 1182[4]) If reference to the public proposal for the creation of a military alliance which developed following Marshal Tito's visit to Ankara is considered essential, it might be appropriate for the communiqué to state that the Greek and Yugoslav sides had agreed in principle but that such a proposal would be a proper item for further discussion at the meeting of the *Entente* Foreign Ministers which we understand is scheduled for July.

In asking the Greek and Yugoslav Governments to take these considerations into account, the US is confident that Marshal Papagos and Marshal Tito will receive our counsel in the spirit it is offered, and will display that degree of high statesmanship for which each is increasingly known and admired. In our considered judgment only by exercising restraint as regards immediate issues, in the interest of our common and more basic long range objectives, can we make real progress towards those objectives. *End of substance of démarches.*

Paris and London are requested inform respective Foreign Offices of foregoing *démarches* pointing out that our action does not go to substance of issues involved, which has been subject French *démarche* here[5] and will be discussed in separate telegram. We contemplate asking Rome, providing Greek and Yugoslav responses present *démarches* are satisfactory, and only after Tito arrives in Athens, to inform Scelba on highly confidential basis that we have spoken with Greeks and Yugoslavs along these lines, pointing out to him that nonetheless Greeks and Yugoslavs will have to issue

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[4]Telegram 1182, May 11, reported that the Turks were very anxious that a Yugoslav-Greek communiqué following Tito's visit to Greece confirm the Turkish statement that transforming the Ankara Pact into a military alliance was only a matter of timing. (760.5/5–1154)

[5]According to a memorandum of conversation between Ruffin of the French Embassy and Leverich of EE, May 11, the French Government proposed that the United States, United Kingdom, and France form a tripartite committee of experts in London to discuss a common position on the question of a Balkan military pact. (668.81/5–1154)

some form communiqué following Tito visit, and soliciting his cooperation in urging members his government to moderation in any public statements they may feel impelled to make.

Department has no objection, re paragraph 2 Athens telegram 2669 to Department, Athens and Ankara informing Foreign Offices of US position on EDC matter as put to Yugoslavs by Riddleberger (Belgrade telegram 1198 to Department[6]).

DULLES

[6]Not printed.

No. 340

760.5/5–2254: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, May 24, 1954—8 p. m.

1253. At courtesy call on Secretary this morning, Secretary having been absent when he presented credentials, Yugoslav Ambassador raised subject *démarche* made Belgrade May 22 (Belgrade's 1246[2]). Mates expressed concern Yugo Government over this *démarche* but indicated his remarks made without instructions. Along lines Popovic reaction he thought representations designed slow Balkan Alliance suggested US change in policy from previous support defense arrangements Southeast European area and he clearly implied Yugoslav conviction action taken response Italian requests. Formality which he attributed to *démarche* seemed particularly disturb Yugoslav sensibilities.

In response Secretary assured Mates that Yugoslavs misunderstood nature our thinking and motives. No change has occurred in importance we attach to appropriate defense arrangements that area. On contrary, key to improvement atmosphere essential defense planning is solution Trieste problem and our views designed bring to attention Yugoslavs importance that in interests such planning caution be exercized any steps that direction pending conclusion Trieste settlement. Re formality, Secretary noted Yugoslavs misinterpreted customary procedure whereby we continually

[1]Drafted by Barbour; cleared in EUR, WE, and NEA/GTI; and signed for the Secretary by Bonbright. Repeated to Paris, London, Rome, USPolAd Trieste, Ankara, and Athens.

[2]Telegram 1246 from Belgrade, May 22, reported that Riddleberger made the *démarche* authorized by telegram 3260 to Athens, *supra*. According to Riddleberger, Popović was furious that the United States, in urging caution due to sensibilities within NATO, was becoming a pawn to Italian policy on Trieste. (760.5/5–2254)

inform friendly governments our views pending matters and leave memoranda to avoid misunderstanding. It was also emphasized *démarche* not result previous coordination or discussion with Italians in any way. Ambassador appeared mollified result these statements and volunteered communicate with his Government.

Course conversation Mates also stated Yugoslavs, regardless their reaction this *démarche*, desire conclude Trieste settlement without delay and he believed were accepting latest proposal made in London with changes "one or two words".

DULLES

No. 341

[illegible]5-2454: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET PRIORITY BELGRADE, May 24, 1954—8 p. m.

1253. Re Embtel 1246 to Department.[2]

1. Foreign Secretary convoked me this afternoon to receive reply to our *démarche* May 22 which he said had received the approval of the Coordinating Committee of the Federal Executive Council over the week end. As Tito is in Belgrade, probable it has also been discussed with him as well as Kardelj.

2. Foreign Secretary began his oral remarks stating that Yugoslav Government does not understand necessity of *démarche* as in effect the question does not arise. I asked him what this meant and he said there was no possibility proclaiming a military alliance of the three Balkan powers during Tito visit to Athens as such an alliance obviously could not be proclaimed in the absence of one of its members. I remarked that while this might be true it had not prevented a declaration of intent during the Tito visit to Ankara with its implication of early implementation which had raised problems with Italy. He said that Yugoslav Government cannot recognize as valid US argument re formalization of alliance as the timing could not be based upon an irresponsible attitude by Italian Government. Furthermore, the development of the alliance could not depend on Italian attitude re Trieste as to accept this point of view would give support to the inimical attitude of Italian Government toward our common objectives. The fact that Italian Govern-

[1]Repeated for information to London, Athens, Ankara, Rome, Paris, and Trieste.
[2]See footnote 2, *supra*.

ment has gone so far in its public reactions cannot modify Yugoslav Government's views.

3. On the relationship of military alliance to NATO, Yugoslav Government believes that this question need not be analyzed now as it is irrelevant to the matter of timing. I said that nonetheless the question exists and must eventually be considered to which Popovic agreed but repeated that it need not affect the question of timing at this moment. I remarked this was debatable and might depend upon the kind of announcement made in Athens.

4. Yugoslav Government maintains its attitude that development of Balkan *entente* has no relation to Trieste question. Foreign Secretary said he wished to assure us that Yugoslav Government has no intention of utilizing development of Balkan *entente* to reinforce its position on Trieste. (He then referred to the instructions to Velebit reported separately.) He said that by the same token the Trieste question should not be utilized for the profit of Italy.

5. Foreign Secretary then said he would speak frankly to me about the nature of the *démarche* which I had made on May 22. Yugoslav Government thought that *démarche* did not correspond to the present cordial state of US-Yugoslav relations and that it went a little far in making recommendations, particularly on what should be said in the communiqué. I replied that a careful survey of the totality of my remarks would demonstrate that it had been made in a spirit of amity and friendly counsel and that it should be so regarded. Foreign Secretary said that if US considered exchange of views on development Balkan *entente* desirable that this could be done in different and, perhaps, a more appropriate manner. I asked him what he had in mind and particularly if he was thinking of some sort of conference in view of the fact that the United Kingdom shared generally our point of view. He said he was not thinking of a conference but the two governments could easily make arrangements for an exchange of views if we thought it desirable.

6. Foreign Secretary then said that Yugoslav Government would take into account the observations which we had made but did not commit himself as to what might be put in the communiqué.

7. In order to have Yugoslav Government attitude fully understood, Foreign Secretary has instructed Velebit to explain its attitude to Foreign Office in London without awaiting *démarche* by British Chargé here. Mates has also been instructed to see the Secretary on this subject.[3]

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[3]For an account of Dulles' conversation with Mates, see telegram 1253 to Belgrade, *supra*.

8. Popovic said that the meeting of the Balkan Foreign Ministers would probably be about the end of June rather than in July.

9. In a general discussion which followed the Foreign Secretary's reply it was made evident that that part of our *démarche* which reads "while we do not wish to argue the question of whether or not Italian reaction could be permitted to delay the development of cooperative relations between Yugoslavia, etc." has touched a very sensitive nerve. Both Popovic and Bebler argued at great length that Yugoslav Government cannot accept implications of this statement as it removes from discussion one of the most important and vital points. I reiterated to them that Italian reaction to the conversion of the *entente* into a military alliance is a political fact which we must all take into account irrespective of Yugoslav Government opinion on unreasonableness of Italian attitude. My attempt to avoid arguing this point met with little success and evoked from Foreign Secretary caustic remarks re Italian intransigence in attaining our common defense goals.

10. In contrast to Saturday's interview we were able to avoid recriminations and my estimate is that some sober second thought has occurred over weekend. In spite of acrimonious exchanges I believe *démarche* has had good effect and in any case we have received what is tantamount to invitation from Yugoslav Government to continue discussions. If as now appears probable US–UK–Yugoslavia agreement on Trieste is concluded in next few days, perhaps we can influence developments re Balkan pact in less heated atmosphere.

11. British *démarche* not yet made and this may be dealt with in London with Velebit. Mallet returning to Belgrade 28th. British Chargé informed my interview today.

12. French Ambassador's instructions not yet firm but hopes be able approach Yugoslav Government by May 26.

RIDDLEBERGER

No. 342

760.5/6-354: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

TOP SECRET ATHENS, June 3, 1954—2 p. m.

2881. I had long talk with Foreign Minister Monday[2] along lines Deptel 3364[3] (see also Embtel 2854, May 29[4]) on Ankara pact developments in light Tito's visit here. Am confident Greeks will do their best to hold public commitments within framework our views but we must suppose that Tito talks will result in substantive advance of alliance project. Also we shall be lucky if public oratory can be kept reasonably close to level set by Ankara visit some weeks ago.

New Italian Ambassador rushed here to present Italian case before Tito visit. He arrived Monday evening presented his letters and talked with Papagos and Foreign Minister next morning and called on me yesterday. From his account of his talks I doubt if he yet has been effective. He labors Trieste issue on which we have already given Greeks heavy dose and by implication at least he maintains "veto" theme. Nonetheless Greeks have stopped upbraiding Italians (Deptel 3383[5]) and have taken note that Trieste settlement will take time and require delicate negotiation.

Knowing that Yugoslav Ambassador will have hand in present transactions I then called on him and am glad I did. He was in dreadful state and declared Palermo speech proves Italians "never" want real Trieste settlement. He developed in higher key Popovic argument reported Belgrade's 1269.[6] We had long friendly discussion and he grew calmer, part of his anxiety doubtless being due to general responsibilities of Tito visit which is laid on in grand manner.

Kyrou informs me in strict confidence he and Popovic last evening agreed on tentative text of communiqué "which should sat-

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[1]Repeated for information to Ankara, Belgrade, London, Rome, and Paris.

[2]May 31.

[3]Telegram 3364, May 27, instructed the Embassies in Greece and Turkey "discreetly" to emphasize the desire of the United States that any new military pacts entered into by those countries be submitted to the North Atlantic Council for the information of all NATO members. (760.5/5-2454)

[4]In telegram 2854, Cannon expressed his general approbation of the points made in telegram 3364. (760.5/5-2954)

[5]Telegram 3383, May 29, instructed the Embassies in Greece and Turkey to request the governments of those countries to cease publicly placing the entire responsibility for the Trieste impact on the Italians. (760.5/5-2754)

[6]Telegram 1269, May 28, reported that Popović refused to accept Italian consent as a condition for a Balkan military alliance. (760.5/5-2854)

isfy everyone". They have chosen to use French text and it would state alliance project determined on but details would be "etabli" by meeting of Foreign Ministers. He is quite proud of this pointing out it mentions no date for signature nor even for meeting and if French word is translated as "established" it is vague enough to mean almost anything.[7]

CANNON

[7] For text of the Greek-Yugoslav communiqué following Tito's visit, see *Documents* (R.I.I.A.) for 1954, p. 194.

No. 343

760.5/6-1154: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, June 11, 1954—7 p. m.

5679. At first meeting re Balkan alliance today, exploratory discussion was based principally on text contained Deptel 6707.[2] British and French representatives could express only personal views. They concurred generally on all points except paragraphs 6 and 7. They put question whether following alternative might be explored:

Rather than Greece and Turkey seeking commensurate commitments from Yugoslavia, as part of treaty or in advance of signing agreement, might some kind of less formal and more gradual link between NATO and Balkan alliance be created? This might be in form of committee of liaison between NATO and Balkan staff or committee, which, it is understood, is being or is to be set up. Their reason for introducing this suggestion was opinion that Balkan partners, while apparently alive to necessity of adjusting guarantees to NATO obligations, might view commitments suggested by US as extending scope of alliance beyond Balkan area. More gradual "link" might provide adequate framework for development of military cooperation and step by step closer association of Yugoslavia with NATO, and at same time give necessary reassurance to other NATO members that Yugoslavia would be reliable associate. French and British representatives probably will have more definitely crystallized ideas at next meeting. Embassy suggests this

[1] Repeated for information to Paris, Ankara, Belgrade, and Athens.
[2] Not printed. (760.5/6-1054)

proposal, if feasible, might permit desirable degree of flexibility in terms for Yugoslav cooperation.

British and French representatives fully concurred in importance of Greece and Turkey giving fullest possible information to NAC before signing new agreement. It was agreed we should explore question of making approach (probably individually by US, UK and/or France) to Greeks and Turks along line of paragraph 8, bearing in mind: (a) desirability of doing so soon, in view of apparent rapid progress of Balkan partners; and (b), on other hand, inadvisability of raising discussion at time which might interfere with Trieste negotiations.

Also agree we should try to formulate ideas of how we believe Balkan alliance should be presented to NAC, in order to obtain favorable reception. It was suggested that, after we have clearer idea what specific provisions may be and what is desirable, individual members of NATO might be informally canvassed before any general discussion.

Next meeting planned for June 16.

ALDRICH

No. 344

760.5/6–1154: Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET WASHINGTON, June 14, 1954—7: 11 p.m.

6811. Ref: London 5679.[2]

Since June 11 meeting centered on US views presume June 16 Working Group session will concentrate on British and French views. Following however may be useful US representative in connection questions raised in reftel:

Purpose paragraphs 6 and 7 Deptel 6707[3] was to point up possibility imbalance in obligations which might be incurred by Greece, Turkey (and indirectly NATO) on one hand and Yugoslavia on other through Balkan Alliance, depending upon actual terms alliance. Our principal concern is that Greece Turkey should, in drafting final terms alliance, bear in mind implications therein for NATO, inferences likely be drawn therefrom by individual NATO members, and advisability being prepared reassure NAC in detail

[1]Drafted and signed for the Secretary by Adair and cleared in BNA, EE, WE, L, and NEA/GTI. Repeated to Paris, Athens, Ankara, and Belgrade.

[2]*Supra*.

[3]Not printed. (760.5/6–1054)

that alliance does not conflict with major NATO interests. No comment on suggested committee of liaison paragraph 2 reftel in absence further information on what British French have in mind.

With respect question approach to Greeks Turks along line paragraph 8 Deptel 6707, in view approaches already made to Greece Turkey by US, UK, France relative to timing of alliance vis-à-vis Trieste negotiations, and cooperative attitude with which our *démarche* received, we believe US, UK, France should carefully avoid giving impression interference which might well be resented and jeopardize present opportunity we have for moderating development. UK, French representatives on Working Group should be informed that US views expressed reftel 6400[4] have been given informally to Greeks and Turks through Embassies Athens, Ankara (Athens telegram to Department 2880 [*2881*], London 104; Ankara to Department 1314, London 70.[5]) If UK and/or French suggest their governments might express similar views to appropriate Greek and Turk officials you might state we feel Greek, Turk Governments sufficiently aware this position and that further approach at this time might be undesirable. US believes next formal approach to Greeks and Turks should await occasion when US, UK, France are in position make concrete suggestions based on knowledge proposed terms of alliance.

Department reserving opinion on suggestion informal canvass individual NATO members prior NAC discussion. Believe answer this question may depend upon actual terms alliance and degree difficulty foreseen in NAC.

If personal views UK, French representatives mentioned reftel are confirmed at June 16 meeting, we apparently have meeting of minds on following points:

1. North Atlantic Treaty does not contain any absolute prohibition military alliance between NATO and non-NATO country.
2. NAT does not give NATO member right of veto such an alliance negotiated by another member.
3. Greek-Turk-Yugoslav military alliance inevitable and not likely be delayed indefinitely.
4. Balkan Alliance could, depending upon terms, have indirect effect extending NATO commitments.
5. Development alliance terms should be closely followed with a view to corrective action in event of (a) any possible conflict with NAT and (b) any possible imbalance of obligations especially relative to NATO implications.

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[4]Same as telegram 3364 to Athens; see footnote 3, Document 342.

[5]Telegram 2881 is Document 342; telegram 1314 from Ankara, June 10, reported that Warren emphasized to the Turks the importance to NATO of any military commitments undertaken by Turkey outside of NATO. (760.5/6–1054)

6. Greece Turkey should present alliance plans in fullest possible detail to NAC sufficiently in advance of signature to give NATO partners feeling their views, if any, will be given friendly consideration.

Background material mentioned first paragraph Deptel 6707 air pouched special courier ETA London 2 or 3 pm Wednesday.

DULLES

No. 345

760.5/6-1754: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, June 17, 1954—2 p. m.

5797. Balkan Alliance Group second meeting. British representative informed us of Greek request that Britain endeavor persuade Italian Government take "more reasonable" attitude toward alliance. Foreign Office does not believe any further such representation should be made to Italians now. British Embassies Washington and Paris have been instructed inform Department and French Foreign Office.

British and French had reports similar to Athens 2958 to Department[2] that Greek concept would provide for automatic military assistance in event of attack by or through Bulgaria, but more flexible provisions comparable to Article V of NAT in event of other attack. They also had reports along line of numbered sub-paragraphs (3) and (4) of Ankara's 1331 to Department,[3] that Turks appeared concerned that entire areas of three partners (i.e. particularly including Turkey's Eastern frontiers) should be covered by alliance formula, and French believed Turks would shortly approach US/UK/French for consultation in matter.

Foreign Office instructed that it did not favor an arrangement which would provide for automatic assistance in one area and more equivocal commitments in others, because (1) such distinction might open up way to maneuver and undesirable uncertainty in cooperation among partners or by them with other powers, and (2) any provision for completely automatic military assistance might

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[1]Repeated to Paris, Athens, Ankara, and Belgrade.

[2]Telegram 2958, June 11, reported that the Ankara Pact Council of Ministers planned to meet in Belgrade between July 10 and 20 to formalize the military alliance. (760.5/6-1154)

[3]Not printed. (711.56382/6-1454)

be viewed as resulting in too great an extension (even though indirect) of NATO commitments and be repellent to at least some NATO members. French believe effort should be to cover whole of the partners' frontiers by guarantees similar, probably, to Article V of NAT.

British and French representatives elucidated somewhat their thoughts re a link between NATO and Balkan alliance. The objective would be to coordinate military arrangements of Balkan partners with those of NATO and ensure that Yugoslav participation commensurate with benefits. It would ultimately mean integration Balkan plans and command structure with those of SACEUR, probably, if possible, through CINCSOUTH. This would of course have to be worked out at some stage by SACEUR and in consultation with the partners. But in any event it is envisaged that with creation of Balkan military alliance, a staff or committee should be established to consult and coordinate with appropriate NATO military command; and, eventually, probably also a political commission to consult with NAC. Overall provision for such arrangements might be made by an exchange of protocols guaranteeing assistance and consultation between Balkan alliance and NATO, similar to those proposed for EDC. British and French representatives did not have precise ideas for timing of effecting such arrangements; latter said he believed French would generally favor trying to see them completed as rapidly as possible, perhaps by time of actual signing of treaty, while British felt more time for step-by-step process might be required.

British and French were informed, accordance Deptel 6811,[4] that US has informally given Greeks and Turks its views re referring alliance plans to NAC and believes further approach at this time might be undesirable. They concurred. They felt, however, we might try to be prepared with questions or suggestions, particularly in view of possibly imminent approach from Turks. Group will meet tomorrow morning June 18 to outline suggestions for consideration by superiors. Headings might include:

(1) Expression of welcome by US/UK/French of current developments.

(2) Suggestion that guarantees might be in flexible terms similar Article V of NAT.

(3) Question of just what Turks (or Greeks) have in mind to provide for guarantees by Yugoslavs to assist in event Greece and Turkey become involved as result of their NATO obligations.

(4) Implications re military coordination with NATO.

(5) Suggestion of commission for political liaison with NAC.

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[4] *Supra.*

(6) Importance of informing NATO members in fullest possible detail and sufficiently in advance to permit consideration.
(7) Suggestion that treaty (like Ankara Pact) should include provision that alliance shall not affect Greece and Turkey's NATO rights and obligations.

British and French officially agreed numbered points 1–6 Deptel 6811, assuming "corrective action" in point 5 refers to drafting stage of treaty.

ALDRICH

No. 346

760.5/6–1854 Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET LONDON, June 18, 1954—7 p. m.

5846. Balkan Alliance Group Third Meeting. French representative urged that if US/UK/France are not approached soon by Turks (or Greeks) we should make *démarche* to Greeks and Turks, to give them our views re alliance. He first suggested June 22 as date for proposed *démarche*, but at end of meeting modified this to "as soon as possible." Reason for urging prompt action was French Foreign Office felt possible difficulties might be forestalled if tripartite views were conveyed to Greeks and Turks before process of drafting terms of alliance were too far along. US representative reiterated US felt further approach at this time might be undesirable and believed next approach should be when US/UK/France are in position make concrete suggestions based on knowledge proposed terms; doubted that Department would wish to agree to proposed initiative, but would submit proposal for consideration. US representative also expressed personal view that if any initiative should be taken by US/UK/France in approaching Greeks and Turks, that might best be done in each capital by one speaking for all three, rather than as a tripartite *démarche*, in order that it be completely informal and possibly avoid risk of prompting doubt or questions on part of other NATO members.

French also suggested we should try to have draft of treaty presented to NAC for consideration as soon as agreed at expert level among three Balkan partners. US representative agreed presentation of alliance plans to NATO should allow genuine consideration by all NATO partners, but suggested method and timing probably

[1]Repeated for information to Paris, Athens, Ankara, and Belgrade.

should await further knowledge on part US/UK/France re proposed terms, and in any event would require careful thought.

French idea for substance of proposed *démarche* was that Greeks and Turks should be informed that West's ultimate objective is integration of Yugoslavia into western defense structure, and US/UK/France consider that:

(1) NAC must be consulted before Balkan military alliance is concluded;
(2) Greek/Turkish obligations under NATO should be specifically safeguarded;
(3) Terms of reciprocal obligations on part of Yugoslavs should be explained;
(4) Obligations for joint action might be similar to Article V of NAT;
(5) Provision should be made for political liaison between NATO and Balkan alliance, probably through a ministerial council and committee; and
(6) Military arrangements under Balkan alliance should be such as to fit into NATO military arrangements for Southeast Europe.

US representative said he personally believed such statement would go considerably further than we should at this time, because (1) US/UK/France cannot speak for NATO, particularly with respect to integration of Yugoslavia into western defense structure or formal recognition of Balkan alliance by NATO which is implied in specific suggestion for political liaison. (2) Similarly, US/UK/France should not at this stage invite discussion of specific military arrangements. (3) Immediate purpose should simply be to learn nature of proposed terms of alliance and, as appropriate, take steps to assure that it does not conflict with Greece and Turkey's NATO obligations or does not result in objectionable imbalance of obligations, and that proper consideration by NATO partners is permitted. British representatives generally supported this position.

It was agreed that group at next meeting June 21 would, unless otherwise instructed, draft for consideration of Department and respective Foreign Offices text of possible statement for use if it should be decided to make representations to Greeks and/or Turks. It would consist of general reassurance that development of Balkan military alliance is welcomed by US/UK/France as step toward closer political and military association of Yugoslavia with west, reminder that it must be carefully and properly presented to NATO partners for consultation, explanation that US/UK/France wish to assure satisfactory handling with NATO, and, to this end, general questions or suggestions on points which are of concern to US.

ALDRICH

No. 347

760.5/6–2854: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, June 29, 1954—7:17 p. m.

1385. You may find it useful in following up Popovic information (Belgrade telegram 1357 to Dept rpted separately to Athens and Ankara[2]) to express Department's appreciation and interest in information re Soviet Ambassador. You might if it seemed useful continue to outline two of considerations which prompt Department's interest: first of course interest in imminent Soviet moves particularly, in present case, as regards Balkan alliance. We agree recent suggestion that pattern of Soviet action suggests logical next counter-move in Balkans might be offer some form mutual non-aggression pact with Balkan *Entente* partners and perhaps also Bulgaria Hungary Rumania and Albania. This would also fit in with recent broader moves in Soviet peace offensive designed divide and weaken Western World. Second consideration to US revolves around recent process of "normalization" between Yugoslavia and USSR/satellites. Yugoslavs cannot be unaware that, while we believe we understand their motives, progress this direction gives rise to questions in minds some supporters our policies towards Yugoslavia and furnishes ammunition to opponents. This connection it is reassuring and useful for Yugoslavs keep us as fully informed as possible as regards actual state "normalization" in order that we may in full confidence meet adverse criticism re our Yugoslav policy which is constantly directed toward us. We therefore appreciative this information from Popovic as well as information given our mission in Moscow (Moscow telegram 1510 to Department not repeated all addressees[3]) and our mission in Budapest (Budapest telegram 703 to Department, not repeated all addressees[4]).

You may also, should course of any conversation pursuant to above indicate it would be useful to do so, reiterate to Popovic our basic approval of impetus towards Balkan military alliance. In doing so you will of course maintain usual cautions re timing and

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[1]Drafted by Marcy; cleared in RA, EE, EUR, and NEA/GTI; and signed for the Secretary by Thurston. Repeated for information to Moscow, Athens, and Ankara.

[2]Telegram 1357, June 28, reported that the Soviet Ambassador in Yugoslavia, Valkov, had urgently requested an interview with Tito, which Popović thought might have something to do with the Balkan military alliance. (760.5/6–2854)

[3]Telegram 1510, June 1, reported that the Soviets had harassed the Yugoslav Ambassador. (601.6861/6–154)

[4]Telegram 703, June 24, reported that the Soviets had afforded the Yugoslavs extremely solicitous treatment at a Budapest Danube committee meeting earlier in June. (940.5301/6–2454)

Trieste as well as NATO complications: we have impression this connection that while we conveyed this basic approval to Yugoslavs during your *démarche* of May 22 (Belgrade telegram 1246 to Department not repeated Moscow[5]) we have not been as forthcoming this regard vis-à-vis Yugoslavs as we have vis-à-vis Greeks and Turks.

DULLES

[5]See footnote 2, Document 340.

No. 348

760.5/7-254: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET PRIORITY WASHINGTON, July 2, 1954—7 p. m.

20. Italian Ambassador called on Merchant July 2 under instructions leaving memorandum[2] substance follows:

Athens meeting on Balkan Pact[3] might be concluded before July 5 with full agreement on final text. Text might be presented to NAC prior to meeting Foreign Ministers Greece, Turkey and Yugoslavia in Belgrade between July 12 and 18. This would mean NAC discussion would occur at most sensitive time of Trieste negotiations, compelling Italy take unfavorable position on Balkan Alliance, thus having bad effect for Trieste negotiations and general relations amongst NATO countries. Italy feels it unwise jeopardize for matter only few weeks these projects so related to closer cooperation these vital areas. Italy has spoken to Turks asking them confidentially approach Greeks and Yugoslavs to harmonize timing Athens and Belgrade meetings with Trieste negotiations. Italy asks US and UK support such action.

Merchant stated US would give prompt consideration matter and would advise Italian Ambassador our views, adding Italy must realize however that momentum behind Balkan Pact is powerful and one could only hope for slight delay.

Italian Ambassador spoke only in terms of slight delay, focussing on Italy's fears of effect of publicity indicating final agreement on

[1]Drafted by Wolf and Marcy and cleared in EUR, GTI, EE, and WE. Repeated to Belgrade for action and to London, Ankara, Paris, and Rome for information.

[2]Copies of the memorandum of conversation and of the memorandum left with Merchant are in file 760.5/7-254.

[3]A committee composed of representatives from Yugoslavia, Greece, and Turkey was meeting in early July in Athens for the purpose of drafting a Balkan military alliance.

conclusion present Athens meeting concluded July 5 or 6. He spoke of waiting a week or ten days in order have Trieste and Balkan matters proceed concurrently.

Department does not contemplate *démarche* by US to Greeks, Turks or Yugoslavs at this time, not having information indicating that this is now required. However in order judge what action advisable on Italian memorandum, request best advice Embassy Athens can obtain informally from Greeks as to timing for all stages negotiation and conclusion Balkan Pact and any indication nature public statements likely to be issued at end present Athens talks. Further request you informally apprise Greeks of Italian *démarche* explaining that in accordance our understanding agreed timetable Italian fears not warranted and we wish we able so inform them. We have understood that text agreed to by Athens specialist meeting would not be made available to US, UK and France until agreed text developed (Deptel 3053 to Athens[4]). We have accordingly refrained from commenting, other than broad suggestion made Deptel 3657 Athens,[5] on preliminary draft texts, in belief that *Entente* powers expected consult us before final text agreed on or publicized. We would appreciate confirmation this understanding, for we would tend concur with Italian view if there were any prospect that communiqués following Athens meeting implied that text of alliance was final. We are not yet prepared commit ourselves actively to lobby for Balkan alliance before NAC, and will not be in a position to do so until we have considered privately, proposed text. Believe all concerned will agree that developments in informal NAC meeting June 30 (Polto 3[6]) indicate desirability most careful and considered preparation before any public action on part any nation concerned gives impression that text resulting from specialists meeting more than recommendations to Ministers and that NATO (or US, UK and France) will be presented with *fait accompli*.

In your discretion you may also discuss with Birgi or appropriate member Turkish delegation along these lines.

London advise UK and French members Balkan working group.

DULLES

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[4]The reference is apparently erroneous; telegram 3053 to Athens does not concern the Balkan Pact.

[5]Telegram 3657, June 28, stated that the United States would refrain from comment on the Balkan military arrangement until draft agreements had been made available. (760.5/6–2554)

[6]Polto 3 reported that the Netherlands and Italian representatives at the NAC meeting of June 30 had expressed reservations concerning the role of the NAC in the consideration of the Balkan military pact. (740.5/7–154)

No. 349

760.5/7-754: Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET NIACT WASHINGTON, July 8, 1954—7:12 p. m.

146. Concur London's 100[2] that representations required. Expanding thereon, we propose following. We believe time factor requires *démarches* be undertaken in any case by July 10 at latest.

We envisage *démarches* not only in Athens and Ankara but also in Belgrade, all of which should cover following points:

(1) We are all seeking to make Balkan Alliance something which not only does not conflict with NATO but which supports in every way possible goals of Western solidarity, defense capability and unity. If alliance appropriately drafted, it can well serve these purposes, and should be susceptible of warm welcome by NATO powers. On the other hand if alliance on its own terms raises problems for NATO members or if presented to NATO in way which fails to take into consideration genuine interest of other NATO nations, disservice to cause of West will result.

(2) Following aspects of draft in our opinion require further consideration if they are not to raise serious questions in NATO and have unfortunate effects we all wish to avoid.

(a) Article 2 is of "automatic" type. We believe this clause will give greatest trouble to NATO members, including ourselves. This departure from formula of Article 5 of NAT may prompt some NATO nations to state that their NATO obligations would not require them to go to war if Greece or Turkey involved as result of Balkan Pact. This would tend to create impression in Soviet mind of division on Balkan Alliance and would present cause of friction within NATO. Apparently small drafting changes could cure this point, and in interest of solidarity of West, we believe highly desirable.

(b) Article 7 requires clarification with respect to reference to UN Charter. Would article only be operative in case of Security Council action which would be open to Soviet veto? Is it intended post-occupation Germany be covered?

(c) Reference to Chapter 8 of UN Charter seems to us unwise. General reference to UN Charter preferable or reference to Article

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[1]Drafted by Wolf; cleared in EE, WE, EUR, NEA/GTI, L, and G; and signed by Dulles. Repeated for action to Athens and Ankara and for information to Belgrade, Paris, and Rome.

[2]Telegram 100, July 7, recommended that the United States, United Kingdom, and France instruct their respective Ambassadors in Greece and Turkey to express the concern of their governments about the articles in the draft military treaty which appeared to conflict with the articles of the North Atlantic Treaty. (760.5/7-754) The draft military treaty was transmitted to the Department of State in telegram 36 from Athens, July 6. (760.5/7-654)

51, as we have often said. Same issue arose and was satisfactorily resolved re drafting Ankara Pact.

(3) We feel that presentation to NAC based on text which does not cure these issues as well as fact that some points still unresolved amongst Greek, Turk and Yugoslavs, would be premature and prejudicial. Highly desirable to have all these points resolved amongst 3 Balkan powers prior to (a) any formal presentation of problem in Council and (b) signature of pact. While we would see no objection whatsoever and perhaps some benefit Kyrou having exploratory talks with Permanent Representatives on very confidential basis, presentation to NAC for comments should in our view and in interest solidarity NATO, be postponed until these matters are resolved if unfortunate results are to be avoided.

(4) We reiterate we wish to see full NATO support for alliance, and believe that full US, UK, and French support for alliance in NATO could be given if these problems resolved on expert level and NATO nations given feeling they would have opportunity to develop views in orderly way for consideration.

(5) While we appreciate this may upset time table of signing treaty at Ministers meeting on July 20, we believe issues adequately important and effect on NATO sufficiently serious to indicate that this course of action should be followed.

We note London's 100 suggests parallel approaches by US, UK and French Ambassadors in Athens and Ankara. Prefer suggestion in London's 61[3] that US, UK or France speak for all three in Athens. Suggests UK representative speak for all three in Belgrade and that US make approaches in Athens and French in Ankara.

For information US representatives only, separate telegram follows instructing Embassy Belgrade make further purely US approach.

Would particularly appreciate any comments Thompson may wish make re relationship this exercise to Trieste problem.

DULLES

[3]Not printed. (760.5/7–654)

No. 350

760.5/7-854: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, July 8, 1954—7:12 p. m.

29. As soon as feasible following tripartite *démarche* foreseen by Deptel 146[2] to London, Ambassador Riddleberger should make unilateral US *démarche* along following lines preferably, we think but subject your discretion, to Marshal Tito.

1. As the Yugoslavs are aware the US considers that the developing Balkan Alliance between Yugoslavia, Greece and Turkey can and should represent an important element of strength in Free World defenses. We conceive it to be an integral part of our overall policy toward Yugoslavia which, as the Yugoslavs know, is based on the Yugoslav contribution to defense of Free World. We believe that, because of our common interests with the Yugoslavs, we have the right to discuss these matters with them even though formally the US is not a direct party of the proposed Alliance.

2. First point is basically matter of tactics. Our concept of the Balkan Alliance requires that it be fully compatible with and hence make a contribution to NATO: conversely that it not represent a negative element. In order for this to be so, sensibilities of NATO members must be given due consideration for in a very real sense the strength of both the Alliance and of NATO are interrelated. While, of course, technical legal approval by NATO is not involved we are convinced that NATO members must be given full and adequate opportunity to consider substance of Alliance as it relates to their individual obligations and commitments. This connection, if final text is such that US, UK and France can unreservedly endorse it, we anticipate no insurmountable difficulties. Furthermore, if text is of such a nature, we can see no real reason why complete text should not be given NAC, though we are of open mind as to whether such action tactically desirable.

3. As regards substance of proposed Alliance, and this has an important bearing on the relationship of the Alliance to NATO, while we are concerned that Article II seems to go somewhat beyond Article V of the North Atlantic Treaty (and thus will cause difficulty in NATO which might prompt one or more NATO members to reserve their position as regards action in the event Greece and Turkey involved in war by reason of automatic nature of Article II), we also note Article VII does not seem equally bind Yugoslavia in the event Greece and Turkey are involved in a war by reason of their NATO obligations. The difficulty here seems to us to revolve around reference to "United Nations Charter" in Article VII and possible reference to Chapter VIII of United Nations Charter in preamble. As we informed Yugoslavia, Greece and Turkey at time

[1]Drafted by Marcy and signed by Dulles. Repeated for information to Athens, Ankara, London, Paris, and Rome.

[2]*Supra.*

Balkan *Entente* was drafted, in our view reference to Chapter VIII is undesirable because it raises real possibilities of effective action being prevented by a Soviet veto.

4. We are similarly concerned with what we understand to have been Yugoslav reaction Greek and Turk desire make reference in a special article to cooperation with other international organizations whose purpose is reinforcing international peace and security, and wonder if this and the previous point do not reflect a basic attitude which we feel must be fully and frankly explored. We have the feeling that perhaps the Yugoslav attitude flows from a belief that their growing relations with the West will ultimately involve them in closer relations with the Italians which might give the Italians some unfair advantage over them. (Ref last para Athens 37 to Department[3]). While we, of course, understand the Yugoslav position on this broad question, and would not expect the Yugoslavs to acquiesce in any relationship which would in fact give the Italians an unfair advantage, we believe all concerned are agreed fundamentally that closer Italo-Yugoslav relations are inevitable if Yugoslavia and the Western nations pursue their present courses, and that such relations are in fact necessary and desirable. All our present actions revolve around such a *rapprochement*: Trieste solution is just first step which must pave the way for creation of necessary interrelationships between Alliance, US, UK, French-Yugoslav military planning, Italian-Yugoslav planning, possible Italo-Yugoslav treaty relation, and some practical, though not necessarily formal relationship with NATO. While we have not as yet any clear vision of how these relationships should develop, we are convinced that they must develop and believe that to be fruitful the relationships between any and all of the nations concerned must progressively reflect and not shy away from this inevitability.

5. In the light of the foregoing substantial issues, regarding which we really do not believe we are at variance as between ourselves and the Yugoslavs, tripartite powers (US, UK and France) have asked the Greeks, Turks and Yugoslavs to reconsider some aspects of the present draft Alliance, in the hope that they will be willing again to consult and to eliminate the elements in the present draft which we see as points of discord. We recognize and concur in the very real sense of urgency of the three Balkan partners and their desire to conclude the Alliance as rapidly as possible, but believe they they will agree with us that unless the Alliance not only reflects full confidence among the Alliance partners but also acquires that support among NATO members which is essential to its success, the purposes of the Alliance partners themselves and the best interests of the free world in general will not have been well served.

End of points to be using in making *démarche*.

In preparing the foregoing points the Department has been guided not only by the substantive issues of the draft Alliance which concern us, but also by the belief (which has been strength-

[3]Telegram 37, July 6, stated that Yugoslavia was not interested in becoming associated with NATO. (760.5/7–654)

ened by the broad approach taken by the Yugoslavs in their request for high level economic discussions with the US) that the Yugoslavs may be seeking some broad guidance and reassurance as regards our overall purposes in dealing with Yugoslavia. We are conscious in this connection of the far-reaching beneficial effects of Churchill's discussions with Tito during Tito's visit to London. While we are not in any position to go as far as Churchill in giving assurances to the Yugoslavs at this time, we believe the Ambassador can, by speaking of broad issues rather than directing himself to factual or drafting points in the text of the Alliance itself, accomplish much the same purpose in persuading Tito that we are not in fact trying to booby-trap him but are really concerned at the overall effectiveness of the regional arrangement we all wish to see created. Ambassador may, however, also draw on discussion textual issues contained Deptel 146, if he so desires.

DULLES

No. 351

760.5/7-1454: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET PRIORITY WASHINGTON, July 15, 1954—6 p. m.

129. Believe as appropriate occasion arises representatives tripartite powers should now reflect general encouragement we feel as result apparent imminent agreement between Greeks, Turks and Yugoslavs on text which, while we cannot commit ourselves officially until we see final draft we believe we will be able wholeheartedly support before NATO and with Italians (Ankara's 63 and 67[2]). Feeling we should inject some encouragement this juncture heightened by situation reported Belgrade telegram 37[3] and

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[1]Drafted by Marcy; cleared in WE, RA, BNA, GTI, and NEA; and signed for the Secretary by Thurston. Repeated for action to Ankara, Belgrade, and London, and for information to Paris and Rome.

[2]Telegram 63 from Ankara, July 14, recounted a conversation between Warren and Birgi in which the former was assured that the Turks would do all they could to make consistent the articles of the military alliance with those of the North Atlantic Treaty. (760.5/7-1454) Telegram 67, July 15, expressed Warren's hope that the United States would support Turkish assurances to the Italian Government that the military pact would not conflict with the North Atlantic Treaty. (760.5/7-1554)

[3]Telegram 37 from Belgrade, July 14, reported that the Yugoslavs were bitter about the delay in signing the military pact and that they attributed this delay to U.S. pressure. (760.5/7-1454)

Ankara telegram 68 to Department.[4] Suggest US representatives Athens and Ankara seek occasion express our appreciation to governments to which accredited that the Greeks and Turks accepted our observations in the spirit they were intended, and that they successfully undertook the difficult task of bringing the Yugoslavs around to an acceptable position. Riddleberger may similarly find occasion convey our feeling of encouragement to Yugoslavs that they, Greeks and Turks now appear to be on threshold of agreement on text which can meet NATO problem.

We hope Greek, Turk, Yugoslav negotiations on revised text will be terminated expeditiously in order allow presentation to NAC a suitable period prior Ministerial meeting and signature which we now understand scheduled for around July 30. Would also appreciate information as to what soundings Greeks and Turks have already made with other NATO members, and their reactions.

DULLES

[4]Telegram 68, July 15, reported that the Greeks were much more pessimistic about the chances for the early conclusion of a military pact than were the Turks. (760.5/7-1554)

No. 352

760.5/7-1654: Telegram

The Ambassador in Turkey (Warren) to the Department of State[1]

TOP SECRET ANKARA, July 16, 1954—5 p. m.

75. Re Athens' 111, July 15 and Belgrade's 37, July 14.[2] It seems to us that US may have some responsibility for calming current jitters in Belgrade, Athens and Rome on subject proposed Balkan alliance. Unlike their partners Turks have shown themselves willing, largely on basis our influence, to approach questions of timing, preliminary preparations, and presentation to and link with NATO soberly and judiciously, with realization alliance, to have value in collective defense, must rest on solid, well-constructed foundation, located in a friendly environment.

As Birgi has argued at length with Greek and Yugoslav Ambassadors here, Balkan partners decided as long ago as Brione meeting Italy must be brought into pact at earliest date. Tito repeated this in strongest terms during his visit here. Turks have in fact pro-

[1]Repeated for information to London, Paris, Rome, Athens, Belgrade, and Trieste.

[2]Telegram 111 from Athens, July 15, reported that the Yugoslavs were indignant because the Turks had requested a delay in the signing of the treaty. (760.5/7-1554) Concerning telegram 37 from Belgrade, see footnote 3, *supra*.

posed nothing to Greeks and Yugoslavs due to failure Italian Government to realize and grasp opportunity discussed with their Ambassador here. And when Italian Government failed to respond, Turks loyally informed partners even regarding their talks with Italian Ambassador. Both Yugoslav and Greek Ambassadors here have seemed to understand and presumably so reported, so Turks are at some loss to understand current rumpus.

As regards "postponement", Turks are a bit reluctant to consider Haile Selassie visit to Yugoslavia as being of same order of importance as Balkan alliance. They have repeatedly asked Greek and Yugoslav Ambassadors in effect: "Does your government really want to conclude this alliance without the support and goodwill of "NATO?" And to this they have not received affirmative answer.

I fear Italian vacillations, Greek impetuousness, and Yugoslav suspiciousness have already cost the West a chance for a major victory in the cold war and have impeded effective development of our collective strength.

WARREN

No. 353

760.5/7-1754: Telegram

The Chargé in Italy (Durbrow) to the Department of State[1]

TOP SECRET PRIORITY ROME, July 17, 1954—2 p. m.

224. Following are important points in separate discussions night with Zoppi, Del Balzo and Casardi.

1. Carried out instructions Deptel 155[2] emphasizing need get on with Trieste solution in order open greater vistas for Italy in various matters. Expressed deep concern tenor news articles particularly *Messaggiero* Washington story stating US responsible delay Balkan pact signing in order it could be signed simultaneously with Trieste accord (Embtel 215[3]). Emphasized no direct connection between two, that US not directly involved Balkan pact which being worked out by three powers and any inference US trying delay pact signing because Italian concern might well convince Tito this true and cause him be more adamant in giving favorable consideration Italian counterproposals re Trieste. Zoppi agreed Washington

[1]Repeated for information to London, Ankara, Athens, Belgrade, and Paris.

[2]Telegram 155, July 14, instructed the Embassy in Rome to encourage the Italians to negotiate directly with the Balkan Pact parties for possible association with the Pact so that the United States did not appear to be acting as the agent of the Italian Government. (760.5/7-1454)

[3]Not printed. (965.61/7-1654)

news story not helpful and would do best counteract impression given.

2. Made it clear Italians should seek information Ankara or Athens rather than Washington. This led Zoppi and others express concern re London big three meeting re pact. I reiterated points Deptel 171[4] that no six power or other meeting taking place, merely informal big three discussions London. They nevertheless apparently have fairly good idea of extent London big three consultations which they afraid may mean we are working out final text of pact which will being presented NAC on more or less take it or leave it basis. I reiterated that as they know text being worked out by pact partners, that we did not have either full or final text which still being worked on and they should seek information in Ankara and Athens not Washington.

3. All three then indicated as their personal thoughts and added Foreign Office and government had not yet made up mind, that consideration being given to formally asking US if they could not be consulted very confidentially re text of pact.

Explained that in view of somewhat extreme statements made by government in past re veto in NATO or pact which were now regretted, government had to find some formula to get off the hook, i.e., to explain to public why they no longer feel as strongly against pact as they had indicated several weeks ago and thus open road to their eventual adherence. Zoppi reiterated Foreign Office still very anxious Italy join pact but some of government not too enthusiastic basically since do not see how they can condone pact now when in all probability Trieste will not be solved before signing. Again expressing personal ideas, thought would be helpful if later on they could say they had been consulted in strict confidence re pact before finalization and therefore government had changed its attitude. I replied that Italy and all other NATO countries would have opportunity to discuss pact in NAC. They did not think this would be sufficient to explain government change of attitude since they believed NAC would be more or less perfunctory discussion of already agreed text. They pointed out Italy being neighbor Yugoslavia had more stake in pact than other NATO powers and again expressed hope they be consulted more by big three re matter of vital interest to Italy. They added it would be most embarrassing if it should become known that big three consultations were taking place London without others being in on discussions. I again expounded idea that such consultation would take place in NAC. Was then asked on purely personal basis whether US still wanted Italy be member of pact adding they had had impression US had been

[4]Not printed. (760.5/7-1554)

favorable in past but British somewhat lukewarm. Replied reason we had made so many efforts settle Trieste was to make it possible for Italy and Yugoslavia cooperate more fully in all matters including military and that if Trieste settled Italy would have freer hand in many matters including joining pact. While all believed possibility joining as original member out, they expressed hope that in announcement of pact would be helpful if it could be made quite clear that "here is a chair labelled Italy". This would help sell idea in Italy where distrust of Tito still persists. Replied I understood provision would be made for other adherents. Did not encourage them believe Italy would be urged join. Since matters discussed in this section were told me in strictest confidence and I was urged most strongly to "keep it to myself" inasmuch as government has not made up mind, would appreciate addressees assuring that this part of report be held as US eyes only.

4. Casardi and Del Balzo quite worried about Communist plans to block Trieste and pact agreements by possible riots and embarrassing parliamentary tactics both aimed primarily to embarrass government on EDC.

5. Re Trieste all were not too worried, they had not expected Yugoslavia to cheer about their counterproposals as Italians had not cheered about Yugoslav proposals. Very pleased to note conciliatory tone of Trieste statement by Yugoslav mouthpiece Drasovic July 15. They promised to do all they could to control press attitude here.

DURBROW

No. 354

760.5/7-2754: Telegram

The Secretary of State to the Embassy in the United Kingdom[1]

TOP SECRET NIACT WASHINGTON, July 28, 1954—6:52 p. m.

582. 1. Consider most desirable subject coordinating political decisions governing NATO and Balkan Alliance not arise in NAC Polto

[1]Drafted and signed for the Secretary by Wolf and cleared in EE, NEA, WE, L, EUR, GTI, and Defense. Repeated for action to Paris and for information to Athens, Ankara, Belgrade, and Rome.

148.[2] Should it be brought up Turkish position Ankara's 128[3] should be strongly supported.

2. UK suggestion of Greek and Turkish statement authorized by Yugoslavs on cooperative and concerted planning between Balkan Alliance and NATO London 476[4] appears to us to be met by Turkish submission (last substantive paragraph before numbered points in Polto 156[5]). We believe this statement in Turkish submission also should satisfy French desire for assurance along these lines Polto 476. Consider it would be extremely difficult obtain express Yugoslav authorization exchange confidential letters as French suggest and even express authorization for statement UK desires. Believe undesirable request these further assurances at NAC meeting as condition precedent, as such action might arouse Yugoslav suspicions, affect Trieste situation or invite Yugoslavs seek NATO assurances. Suggest way handle matter if UK and French still insist raising point would be have secret notation that action of NAC welcoming Balkan Alliance taken of course on assumption that Yugoslavia Greece and Turkey intend cooperate concert military planning between Balkan Alliance and NATO.

3. Reference Italian desire obtain SHAPE statement harmonization military plans. NATO and Balkan Alliance possible (Rome's 340 and 282[6]), Standing Group has forwarded to SGLO its comments on Alliance, stating it has consulted SACEUR in developing this position. Department informed SACEUR submission to Standing Group raised number detailed points and considerations which would have be met in accomplishing harmonization military planning of NATO and Balkan Alliance. Standing Group statement intentionally does not refer to these detailed points and Department believes it would be desirable avoid having them raised and hence hopes Standing Group statement will be accepted without need for further SHAPE statement. If further SHAPE statement needed

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[2]Polto 148, July 26, reported that the U.S., U.K., and French representatives to the NAC had decided to make independent statements at the meeting of July 29. The latter two representatives had been instructed to point out the difficulties of coordinating political decisions between the use of NATO and Balkan Pact military forces. (760.5/7-2654)

[3]Telegram 128, July 27, reported that the Turks were prepared at the NAC meeting to emphasize the necessity of political coordination between NATO and the Balkan Pact. (760.5/7-2754)

[4]Not printed. (760.5/7-2754)

[5]Polto 156, July 27, transmitted a Turkish communication to the NAC distinguishing sharply between collaboration of the Balkan Pact with NATO and the inclusion of Yugoslavia in NATO. (760.5/7-2754)

[6]Dated July 27 and July 22, respectively, these telegrams reported that the Italians were prepared to accept the Balkan military agreement so long as provisions were made for the coordination of planning between NATO and the parties to the agreement. (760.5/7-2754 and 760.5/7-2254)

hope it can avoid raising new problems along these lines. USRO should advise UK, French, Greeks and Turks foregoing on very confidential basis.

4. We have no objection Yugoslav language Article 2 Ankara's 126.[7]

DULLES

[7]Telegram 126, July 27, transmitted the draft text of a new article II which was more consistent with the provisions of the North Atlantic Treaty than was the original Yugoslav draft. (760.5/7-2754)

No. 355

760.5/7-2954: Telegram

The United States Permanent Representative on the North Atlantic Council (Hughes) to the Department of State[1]

TOP SECRET PARIS, July 29, 1954—8 p. m.

Polto 171. Subject: NAC Discussion Balkan Alliance, July 29.

I. Discussion opened by formal statements of Greek and Turkish representatives. Greek statement contained nothing new. Emphasized Yugoslav attachment to West and importance Yugoslavia to defense Greece. Stated alliance committed Yugoslavia to be on our side if attack made on other NATO power without formal commitment to Yugoslavia by NATO. Stated no question of Yugoslavia in NATO as Yugoslavia, for own good reasons, did not want this.

II. Turk statement significant in emphasis placed on need take promptly further steps for complete integration between Balkan alliance and NATO of legal and organic character similar to that established between EDC and NATO by special protocol and arrangements for joint sessions. Stated these steps believed by Turkish Government to be necessary and prepared to initiate work on them immediately after signature alliance in cooperation with NATO partners. Expressed certainty all obstacles to such arrangements could be overcome and that these assurances would give confidence and sense security to Yugoslav leaders.

III. Turk statement also expressed desire have Italy join Ankara pact and military alliance. Stated cause on attachment new members designed specifically this purpose.

IV. Each permanent representative except Iceland, then made statement, highlights of which follow:

[1]Repeated for information to Athens, Ankara, Belgrade, Rome, and London.

1. All expressed approval action Greece and Turkey had taken in organizing new alliance and considered it would represent substantial strengthening NATO security.

2. Most expressed appreciation for manner in which NATO being consulted.

3. Canada, Norway and Denmark wished emphasize their governments did not understand that alliance, or discussion of it taking place in Council, would in any way involve automatic, formal or implied extension present NATO obligations of NATO members generally.

4. Norway and Denmark reserved right their governments, basis report this meeting, ask for additional Council session.

5. Italy, France and Belgium emphasized importance Article 2 not going beyond Article 5 of NATO. Appreciation expressed for statements in documents circulated that objective alliance was to have procedure like Article 5. Belgium pointed out if was the case, would be better follow language Article 5 more closely as different language apt lead to different interpretation or some misunderstanding. Greek and Turkish representatives agreed consider point further, but emphasized again their intentions. Point made by three Dels supported by number other Dels in general terms.

6. Doubts expressed by Italy, Belgium and France as to clarity present draft Article 7. Felt Yugoslavia not sufficiently committed provide balanced arrangement. Belgian Del suggested idea in Greek paper of confining objective of consultation to keeping aggression out of geographical area of Balkan alliance was very restricted target and best leave out statement as to geographical limits. British supported these comments as did one or two others. Greeks and Turks agreed consider Belgian language carefully and felt might possibly be acceptable. Turk emphasized answer to general problem raised re Article 7 lay in his proposal for mutual exchange guarantees similar to EDC.

7. Many Dels called attention importance establishing promptly close political and military relations between Balkan alliance and NATO. France and UK specifically endorsed Turk proposal for exchange EDC-type guarantees. Italy expressed great sympathy and also urged SG work closely with Balkan alliance to insure integration military plans of Balkan alliance into present strategic concept of NATO for use Greek and Turkish forces. US and Belgium emphasized while problem close coordination existed, exact means needed careful study and legal and formal arrangements not necessarily best answer. Canada, Norway and Denmark indicated would want study carefully proposal for exchange of guarantees and did not want to be committed at this time.

Dutch suggested Greece and Turkey should undertake special responsibility for keeping Council informed of political intentions Yugoslav Government. Turk replied would try do so but hoped that as result completion of proposals he had made, these could be learned directly in joint meetings Balkan alliance and NATO Ministers.

SGLO speaking at request US, while endorsing arrangement in terms NATO security, expressed hope Greeks and Turks would find

it possible to keep NATO fully informed of military planning. This assurance was given.

French made, not too precisely and without pressing, suggestion for immediate exchange of letters between Yugoslavia on one hand and Greeks-Turks on other giving assurance of military and political cooperation between Balkan and NATO alliance. Turkish answer not specifically joined in by Greek, to all this was to emphasize again essential character of formal and organic link as result of exchange of guarantees and arrangements for joint Council meetings.

Turkish representative attempted follow-up on Ismay's summary of conclusions by seeking authority say to Yugoslavia that Council had both approved alliance and authorized Greece and Turkey to initiate discussions with Yugoslavia looking to such a formal link. This last not accepted by Council.

8. Italy emphasized importance alliance to her in view her Yugoslav border and geographical location in relation other alliance partners. Felt could only operate well if good relations on those common borders. This recognized actually by Greeks and Turks who expressed warm appreciation for Italian position generally.

HUGHES

No. 356

Editorial Note

At a meeting of the Ankara Pact Foreign Ministers in Bled, Yugoslavia, August 9, the Treaty of Military Alliance between Greece, Turkey, and Yugoslavia was signed. Known thereafter as the Treaty of Bled, the alliance entered into force upon final ratification by the three parties on May 21, 1955. For text of the agreement, see *Documents* (R.I.I.A.) for 1954, page 197.

For further documentation on the United States attitude toward the Balkan Pact for the period after August 9, dealing mostly with the future position of Yugoslavia in the Western defense system, see Documents 701 ff.

CYPRUS

UNITED STATES INTEREST IN AGITATION FOR *ENOSIS* (UNION OF CYPRUS WITH GREECE) AND IN THE QUESTION OF SELF-DETERMINATION FOR CYPRUS AT THE UNITED NATIONS[1]

No. 357

747C.00/7-1852: Telegram

The Secretary of State to the Embassy in Greece[2]

SECRET WASHINGTON, July 18, 1952—6:07 p. m.

236. Fol comments re Cyprus made in light recent tels from Athens and Nicosia re Cyprus problem:

Our views on Cyprus well known to parties directly concerned. Restated briefly, they are that US not party to problem but does not believe it useful for Grk Govt press matter. (Deptel 5076 to Athens May 14 rptd 172 to Nicosia).[3] USUN has been instructed (Deptel 28 July 15)[4] that Dept wld prefer that it not approach Brit rep at UN on this subj as recently suggested by Grk rep who stated he was actg without instructions. USUN was requested to intimate to Grk rep that as matter had in past been discussed by Grk Govt with Amer Emb Athens, Dept wld prefer Grk views be made available through that channel.

Public restatement our position at this time unlikely to alter approach of either Grks, Cypriots, or Brit to problem. On other hand, such reiteration wld probably provide additional propaganda material to those groups in ME and elsewhere which have belabored us

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[1]For previous documentation on this subject, see *Foreign Relations*, 1951, vol. v, pp. 528 ff.

[2]Drafted by Porter and cleared with Richards, Anderson, Claude G. Ross (UND), Hamilton, and Edwin A. Plitt (NEA). Also sent to London, Ankara, Nicosia, and New York.

[3]Telegram 5076, sent also to Cairo, Beirut, and Damascus, suggested that if the question of *enosis* arose in connection with Archbishop Makarios' visit there, the Embassies indicate that *enosis* agitation could only widen disagreement and render more difficult a solution later, when more pacific international relations existed. (747C.00/5-1252)

[4]Telegram 28 instructed the U.S. Mission at the United Nations not to approach Sir Gladwyn Jebb, British Permanent Representative to the United Nations, on the Cyprus question as suggested by Kyrou, because the Department of State did not want to become involved in Greek agitation over Cyprus. (747C.00/7-952)

for our approach to other problems involving aspirations of local groups in that area.

If Venizelos continues press for "official US reaction" to possible Grk initiative in UN (Athens 83 July 8)[5] we believe reply shld include statement that our attitude as previously expressed and outlined above remains unchanged and that we have not considered any UN aspects. We still believe this be matter between friends rather than one for discussion in UN.

We realize that even foregoing line may be useful to Venizelos in his attempts shift responsibility from Grk Govt in matter. For example, he cld use it as basis for statement that US opposing Grk initiative or if he decides go ahead in UN, he might indicate we have expressed no opposition. However, as he has already used US position in his maneuvers around problem, it may be doubted that he can obtain much more advantage from that angle. If he promulgates idea that we do not oppose Grks bringing matter to UN we cld then consider statement re our non-involvement.

It may be possible for Emb Athens point out to Grks on suitable occasions that further agitation of Cyprus issue might well endanger whole structure of Grk-Turk amity, toward development of which Govts and peoples of both countries, have devoted much care with such outstanding results. Venizelos in particular may be impressed by this line, as he claims much credit for existing cordiality between two countries. Our own judgment is that regardless implications of Averoff version of Turk attitude toward problem (Athens tel 5387)[6] sharp Turk reaction can be expected shld Grks bring matter to UN.

Emb London shld if occasion offers urge Brit avoid official public comment on Cyprus question. We have in mind fact that info from Athens (Embtel 5446)[6] indicates that recent Nutting statement gave added impetus to public and press agitation this matter.

ACHESON

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[5]Telegram 83 reported that Venizelos was pressing Peurifoy to provide him with official U.S. reaction to a contemplated speech by the Greek Representative in the U.N. General Assembly, raising the issue of Cyprus. (747C.00/7-852)

[6]Telegram 5387, June 19, reported that Evangelos Averoff, Greek Deputy Minister of Foreign Affairs, told Peurifoy in Athens on June 18, that in his discussions with the Turkish Prime Minister and Foreign Minister during the Greek royal visit to Turkey, the Turks would not discuss Cyprus *enosis*, stating that they themselves had strong interests therein because of former possession of the island and the Turkish minority there. They assured the Greeks that they would not let the British play them off against the Greeks in discussing Cyprus. Peurifoy reported that Averoff said that if and when the Greeks secure Cyprus, they will make ample provision for the Turkish minority and will grant the British whatever bases they want on a 99-year lease. (781.11/6-1952)

[7]Dated June 24, telegram 5446 stated that remarks by Nutting to Greek journalists that the United Kingdom considered the Cyprus matter closed gave further impetus to Greek agitation. (747C.00/6-2452)

No. 358

747C.00/8–2653: Telegram

The Chargé in Greece (Yost) to the Department of State[1]

TOP SECRET ATHENS, August 26, 1953—4 p. m.

614. Foreign Minister has requested United States assistance in dissuading Archbishop Makarios from bringing Cyprus question before United Nations General Assembly.

Stephanopoulos declared that Marshal Papagos, while he has endeavored hitherto to play down Cyprus issue, is becoming more and more concerned, on basis of recent reports, over situation there which Stephanopoulos qualified as "oppression" and "slavery". Papagos feels that only method of dealing with problem which has any possibility of success is direct and secret negotiation with British. He proposes during forthcoming Eden visit to Greece to approach British Foreign Minister on personal man-to-man basis alleging that *démarche* is unknown even to his own Cabinet. He intends to propose that British immediately grant to Cypriots constitution which would accord them certain rights of self-government and which would be followed in two or three years by plebiscite in which Cypriots would be given a choice between independence, incorporation into Greece or some status within commonwealth. For reasons Foreign Minister did not make completely clear he has some hope British might accept this proposal. He believes, however, that under present circumstances Cypriots would not do so.

Some time ago Kyrou approached Makarios, urged him to abandon appeal to UN on grounds that without US support it would merely invite failure and work to profit of Soviets, and confided that Greek Government contemplated high level approach to British. Makarios rejected Kyrou's plea and has since leaked to Cypriot press intimation that high level conversations are being contemplated, thus jeopardizing prospects of their success.

Stephanopoulos fears that, if Makarios goes ahead with appeal lacking support of Greek Government, he may publicly accuse Papagos of betrayal Cypriots, which would have most serious affect upon position Papagos Government in Greece. On other hand if Greek Government should support appeal, negotiation with British would be impossible and probable failure of appeal would undermine confidence of Greek people in UN. This would be particularly unfortunate at time when government is increasing Greek forces in Korea.

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[1]Repeated for information to London and Nicosia.

He therefore urgently requests that US endeavor to persuade Makarios to drop his appeal "for the time being" on the grounds that time is not ripe, that appeal would fail under present circumstances and that Communists in United Nations and in Cyprus would profit from this failure.

We would recommend that Department accede to Foreign Minister's request. Whether or not it is likely one of Soviet bloc might sponsor Makarios complaint, it would seem to be in interests of United States as well as of Papagos Government and British that Cyprus question not be raised in any form before United Nations at this time. While we do not share Stephanopoulos optimism about Eden's reaction to Papagos proposal, it would still seem that confidential bilateral conversations offer best prospect of progress on this problem. It appears likely that, unless Makarios can be restrained, Papagos may feel that his posture as Paladin of Greek nationalism obliges him to take over leadership of this campaign. Certainly there are few issues on which the opposition could cause more embarrassment to government than that of "betrayal of Cyprus".

Foreign Minister would appreciate prompt response so that Papagos might be informed of our position before he speaks with Eden who arrives in Greece August 30.

YOST

No. 359

747C.00/8–2653: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET PRIORITY WASHINGTON, August 28, 1953—6:47 p. m.

723. Department's considered belief that US approach to Makarios (urtel 614)[2] would be not only undesirable but also ineffective for following reasons:

(1) US views remain same as those frequently repeated to Makarios and therefore highly unlikely to alter his intention make UN appeal; (2) in view Makarios' past performance, probable that any US approach would become public knowledge; (3) following Makarios leak to press of contemplated high-level Greek-UK conversations, US intervention with Makarios simultaneous with Eden visit to Greece would emphasize importance such talks in Cypriot mind

[1]Drafted by Marjorie A. McMullen (NEA/GTI) and Baxter and cleared by Howard Meyers (UNP), Hamilton, and Richards. Repeated for information to London and Nicosia.

[2]*Supra.*

and add to Cypriot disillusionment if Papagos approach to Eden not productive, which we think likely.

We question validity Foreign Minister's reasoning concerning effect on position Greek Government if it fails support *Enosis* appeal to UN, since Papagos would probably be considered equally guilty of sabotaging *Enosis* cause by proposing constitutional solution, even with promise of plebiscite in near future. Appears be another attempt shift responsibility from Greek Government and involve US in Cyprus issue. Our views continue as previously stated, i.e., that US not party to problem but does not think useful for Greek Government press matter.

DULLES

No. 360

747C.00/9–253: Telegram

The Chargé in Greece (Yost) to the Department of State[1]

TOP SECRET ATHENS, September 2, 1953—noon.

679. Reference Department telegram 723, August 28.[2] We presented Department's views to Stephanopoulos yesterday. Foreign Minister was disappointed though he conceded that further US approach to Makarios would probably be unsuccessful and that Archbishop would probably leak to press.

Stephanopoulos repeated several times that, if Papagos approach to Eden were unsuccessful and if Makarios' complaint to UN were not withdrawn, he believed Field Marshal would feel obliged to support and even sponsor this complaint. There is no other question, he said, on which Greek people are more united and in which their cause, being based on UN Charter and right of self-determination, is more just. If Greek Government does not sponsor complaint, some iron curtain or Arab state would, in Kyrou's opinion, probably do so, which would work to advantage of Communists in Cyprus, perhaps increasing their following from 30 to 50 percent of population.

Foreign Minister said he would discuss question with us again after Papagos–Eden conversation.[3]

YOST

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[1]Repeated for information to London and Nicosia.

[2]*Supra*.

[3]No record of such a discussion with Stephanopoulos on the Papagos–Eden conversation has been found in Department of State files.

No. 361

747C.00/2-854

Memorandum of Conversation, by the Deputy Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter)[1]

SECRET [WASHINGTON,] February 8, 1954.

Subject: Request of British Government for U.S. Support on the Cyprus Question

Participants: UNP—Mr. Mangano
UND—Mr. Ross
EUR—Mr. Allen
BNA—Mr. Hamilton
NEA—Dr. Howard
GTI—Mr. Baxter
GTI—Miss Crain

A preliminary meeting of Departmental officers was held in Mr. Baxter's office to discuss a recent *Aide-Mémoire* from the British Embassy[2] which requests: (1) assurances that the United States continues to share the British view that joint strategic interests of both countries demand the maintenance of the present status of Cyprus; (2) confirmation that the United States will continue to discourage the Greek Government from pressing its claims to Cyprus; and (3) agreement to inform the Greek Government that the United States would oppose placing the Cyprus question on the agenda of the General Assembly or its discussion by the UN.

It was pointed out that there was genuine sentiment for union of Cyprus with Greece in both places, although it was more vociferously expressed at some times than at others. It was also noted that the UK has vital military interests there (as has the US also) and has taken the position that it will not even discuss a change in the constitutional status of Cyprus through diplomatic channels.

It was agreed that before answering the *Aide-Mémoire* we should obtain the views of the Department of Defense on the strategic importance of Cyprus to the United States and wait for replies to the requests Mr. Baxter had sent to Athens and Nicosia for comprehensive reports on current developments in the *Enosis* issue.

It was the consensus of the meeting that the first point raised by the British would probably be answered in the affirmative, subject to the views of the Department of Defense. It was also tentatively agreed that we would accede to the second request of the British, to

[1]Crain was coauthor of this memorandum of conversation.
[2]Dated Jan. 28, not printed, but outlined here. (747C.00/1-2854)

discourage Greece from seeking consideration of the *Enosis* problem by the UN. With respect to the third point, it was felt that we could not at this time commit ourselves to a course of action in the UN, nor as to how we would vote if the necessity to do so should arise.

Some consideration was given to the suggestion that we need not necessarily limit ourselves to answering the specific points raised by the British, but might in addition ask what, if anything, they intended to do in the way of increased self-government for the Cypriots, and perhaps indicate our belief that such measures could usefully be taken. It was decided to explore this idea and to formulate specific measures along these lines.

The possibility was also discussed of whether the Turks might use their influence on the Greek Government to dissuade the latter from pressing its claim or from raising the issue in the next meeting of the United Nations. Although Turkey has tried to dissociate itself as much as possible from agitation on the Cyprus question, it has firmly stated its intention of being heard if the status of Cyprus should change, basing its interest on the large Turkish minority in the island. Now that close ties exist between Greece and Turkey, the Turkish Government might be able to exert a helpful influence on its neighbor.

No. 362

747C.00/2-2654 Telegram

The Ambassador in Turkey (Warren) to the Department of State

SECRET ANKARA, February 26, 1954—8 p. m.

897. Department's CA-443 [*4336*], February 18.[1] In conversation with Under Secretary Birgi today he raised Cyprus question on own initiative. He stated British recently approached Turks ascertain their views if Greeks should raise issue in UN. Turks replied they would consider such action by Greece most unfortunate. Turkish Government most desirous avoid involvement but if issue raised in UN will assert its interest and ask participate any Anglo-Greek discussions.

Foreign Office now informed by British Greek Government has formally advised UK its intention raise issue next UNGA. British inquired if Turks prepared support their request to US that we urge Greek Government not take this step. Turks have now decid-

[1]Not printed. (747C.00/2-1554)

ed do so and instructions to Embassy Washington going forward soon.

Briefly summarizing Turkish position, Birgi said, raise issue Cyprus union with Greece in UN would evoke sharply critical reaction in Turkey and jeopardize existing good relations with Greece. For this reason Turkish Government has been most careful avoid any action or statement on Cyprus which might inflame public opinion. No formal representation has ever been made to Greek Government although it has been intimated indirectly several times that Turkish Government hoped Greek Government would not officially support agitation for *Enosis*. Foreign Office now considering formal representations and Birgi thinks it likely they will be made. Turks would stress argument to raise issue in UN would benefit only common enemy. Furthermore, Arab-Asiatic bloc could be expected utilize it to maximum for own ends.

Birgi expressed personal view Kyrou may be personally active in pushing action by Greek Government since appointment as Secretary General Foreign Office because strong personal feelings on subject. He states Kyrou expelled from Cyprus by British some years ago for anti-British activities.[2]

WARREN

[2]Kyrou was serving as Greek Consul at Nicosia when recalled to Athens on Nov. 1, 1931, at the request of British authorities in Cyprus following Greek Cypriot violent demonstrations for *enosis*.

No. 363

747C.00/3-1054

Memorandum of Conversation, by the Deputy Directory of the Office of Greek, Turkish, and Iranian Affairs (Baxter)

SECRET [WASHINGTON,] March 10, 1954.

Subject: Turkish Views on Cyprus

Participants: Mr. Feridun C. Erkin, Turkish Ambassador
Mr. Henry A. Byroade, Assistant Secretary, NEA
Mr. William O. Baxter, Deputy Director, GTI

Under instructions from his Government, the Turkish Ambassador called this afternoon to discuss the question of Cyprus in the light of the recent statement by the Greek Government that it intends to bring the matter up at the next UN General Assembly.[1]

[1]Reference is to a statement of Mar. 1 by Kyrou, reported in despatch 860, Mar. 17. (747C.00/3-1754)

He was not authorized to leave anything with the Department in writing, but showed Mr. Byroade a memorandum in which the Turkish views were rather fully expressed and which may be summarized as follows:

Although the question of the union of Cyprus with Greece has been a controversial one for many years, the Turkish Government has taken no note of it and has always attempted to play down any press agitation because the *Enosis* issue has never before been officially supported by the Greek Government. It has been the view of the Turkish Government that there was no reason for any change in the *status quo*, but it must now express its concern at the Greek Government's announced intention of presenting this question in the UN.

It must be noted that many of the arguments in favor of *Enosis* are based on the wishes of the majority of the inhabitants and on national affinities. The Turkish Government wishes to point out that it is not international custom to decide questions of sovereignty solely on the basis of majority wishes of the population, but that there are also equally important geographical considerations which must be taken into account.

The present is not an opportune time for this question to be raised; nor is it right for Greece to state that it is forced into this move because of public opinion when at the same time the Greek Government is inciting public opinion in favor of *Enosis* instead of trying to counteract propaganda favoring *Enosis*. Any public airing of this issue will have a seriously adverse effect upon relationships in NATO and among the three countries which have recently signed the Ankara Pact. Only the Soviet Union stands to profit by such action. The possession of Cyprus would be of no advantage to Greece, nor is it of vital necessity to that country. It is only a matter of "domestic policy speculation."

With regard to security, Cyprus is of far greater importance to Turkey than to Greece. The Turkish Government does not consider it a valid argument that Greece would be willing to make bases available to its allies following the annexation of Cyprus.

It is generally known that the communists and the Greek political parties are making use of this issue for their own selfish and shortsighted ends.

The Ambassador said that he wished to point out his personal opinion that the return of Mr. Kyrou to Athens is partly responsible for the more aggressive Greek policy on Cyprus. Mr. Kyrou, himself a Cypriot, was some years ago declared *persona non grata* by the British when he was Greek Consul in Nicosia and was forced to leave the Island. The Ambassador fears that Mr. Kyrou is using his position as Secretary General of the Greek Foreign Office to promote a personal policy that may get Greece so deeply involved that it cannot turn back.

Mr. Byroade said that we had in the past used our influence with the Greek Government in an effort to keep this question from

being brought up in the UN, believing that it was a matter between Greece and Great Britain. The Department is now in the process of reevaluating its views in the light of the announced intention of the Greek Government to seek the inclusion of the Cyprus problem on the UN agenda.

No. 364

747C.00/3-3054: Telegram

The Ambassador in Turkey (Warren) to the Department of State

SECRET ANKARA, March 30, 1954—11 a.m.

1016. Deptel 1031, March 18.[1] It is our view that if we agree with first two points of British *aide-mémoire* of January 29 [*28*][2] consistency would require that we also support third point. In light of existing strategic and political considerations, discussions this issue in UN can only serve weaken existing friendly relations and close cooperation between Greece, UK and Turkey, and thus further Soviet efforts disrupt western unity.

Following comments refer to Turkish aspect question:

1. Turks feel *Enosis* campaign carefully built with Archbishop Makarios as front man with secret encouragement Greek Govt. Turkish concern precisely with latter development now approaching critical stage. As noted Embtel 897,[3] Turks appear believe Secretary General Greek Foreign Office Kyrou personally involved.

2. Union of Cyprus with Greece would place sizeable new Turkish minority under Greek control, upsetting balance effected by exchange of populations in 1920s.

3. Turkish interest based not only on Turkish minority but also to important extent on strategic (security) and historical factors. So long as Cyprus is under British control Turks feel it constitutes security support for them. In Greek hands feel opposite would be case, given long distance separating island from Greece and Communist strength in Cyprus. On historical grounds Turks point out Cyprus has never belonged to Greece whereas it was held by Turks for four centuries and then voluntarily turned over to British protection as precaution against Russian attack in 1878.

4. Re remarks of Greek Ambassador Kalergis[4] to Embassy counselor on March 5 (copy memo conversation sent GTI)[5] to effect

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[1]Telegram 1031 called for an early reply to a previous telegram which requested recommendations to assist the Department of State in replying to the British *aide-mémoire* of Jan. 28. (747C.00/3-1854)

[2]Outlined in Document 361.

[3]Document 362.

[4]John D. Kalergis, Greek Minister in Turkey.

[5]The memorandum of conversation by Foy D. Kohler, Counselor of Embassy in Turkey, has not been found in Department of State files.

Turks would not object on official level to union Cyprus with Greece, Embassy considers this opinion incorrect. It is already disproved by fact Turks have now made formal representation to Greek Government for first time. Latter has apparently sought encourage view expressed by Kalergis and perhaps itself misled by continuing passivity Turkish Government in face mounting agitation recent months. We believe Turkish position essentially as stated to us by Birgi (Embtels 897 and 928[6]), i.e., Turks are seriously concerned and will demand voice in any decision alter present status of Cyprus.

WARREN

[6]Dated Mar. 5, not printed. (747C.00/3–554)

No. 365

747C.00/4–554: Telegram

The Secretary of State to the Embassy in Greece[1]

SECRET WASHINGTON, April 5, 1954—5:46 p.m.

2901. You are requested approach Papagos and/or Stephanopoulos to make clear that US remains firmly opposed raising Cyprus question at next UNGA session. Many and very grave problems of over-all international situation require fullest possible cooperation Western nations which agitation Cyprus issue would disturb. You may also wish indicate our feeling that Greek presentation *enosis* issue to UN would have extremely deleterious effects in Aegean area where relations have been improving. Finally it would afford USSR and communist bloc tailor-made opportunity to achieve success in what appears number one Soviet objective at this time, i.e. to create dissension among members of Western world and attempt destroy European strength by setting NATO partners against each other.

While US would regret withholding support from Greece if question should arise in UN, cannot offer Greek Government any encouragement in this respect. US has noted with gratification Marshal's moderate approach to problem and earnestly hope he will find it possible to continue to discourage popular agitation and will also reconsider advisability UN action.

[1]Drafted by Wood, Crain, and Baxter, and cleared with Byroade, Hamilton, and Mangano. Repeated to London, Ankara, and Nicosia.

Byroade seeing Politis today.[2] Will give him similar explanation our position and indicate you have been instructed explain our views in Athens on highest levels.[3]

DULLES

[2]For a memorandum of conversation by Baxter on Byroade's conversation with Politis, Apr. 5, see *infra*.

[3]Telegram 2463 from Athens, Apr. 10, stated that Cannon had explained the U.S. position as set forth in this telegram to Stephanopoulos and Kyrou and also would discuss it with Papagos on that day. The Greek Foreign Ministry showed no sign of modifying its attitude. (747C.00/4–1054) No record of Cannon's conversation with Papagos on Apr. 10 has been found in Department of State files.

No. 366

747C.00/4–554

Memorandum of Conversation, by the Acting Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter)

SECRET [WASHINGTON,] April 5, 1954.

Subject: Cyprus

Participants: Mr. Athanase G. Politis, Greek Ambassador
Mr. Henry A. Byroade, Assistant Secretary, NEA
Mr. William O. Baxter, Acting Director, GTI

The Greek Ambassador called today at his request "merely to inform" the Department of the present status of the Cyprus question. He reviewed some of the developments of the past few months. Last September when Eden was convalescing in Athens, Papagos, at the personal suggestion of the British Ambassador, tried to bring up this subject with Eden on a completely informal and friendly basis. He was told brusquely that it was a closed question as far as the British were concerned and that it could not be discussed. Papagos was naturally offended by this attitude and as a result addressed a note to the British on November [*October*] 15 suggesting bilateral talks.[1] This note has been completely ignored. The intransigent attitude of the British in refusing even to discuss on any basis a problem so close to the hearts of the Greeks made it impossible later for Papagos to accept an invitation to visit London. As recently as March 15 Eden again made the same blunt statement with regard to Cyprus in the House of Commons as he had made on previous occasions.[2] This had dismayed the Greek Government and the Greek public, coming as it did at a time when Arch-

[1]Not printed. (781.00/10–2353)

[2]*H.C. Debs.*, 5th series, vol. 525, col. 74.

bishop Makarios was seeing Government officials in Athens on this subject and when even British newspapers were suggesting that the British Government should adopt a more flexible attitude. Its only effect was to further inflame heated feelings. Mr. Byroade agreed that Eden's remark had had an unfortunate effect.

Mr. Byroade then explained that the Cyprus question had given him serious concern of late, so much, in fact, that Ambassador Cannon has been instructed to approach the Greek Government in Athens officially to transmit our strong hope that Greece will refrain from raising the Cyprus question at the next meeting of the General Assembly.[3] This may seem a difficult request to make of one of our best friends, but it is our firm opinion that no one but our enemies could profit by the airing of this question at a time when we have so many grave international problems requiring the fullest cooperation among the Western nations. It would give the Soviet Union and its satellites a tailor-made opportunity to achieve one of their main present objectives, which is to create dissension among NATO partners in an attempt to destroy European unity. It would also reverse the trend toward closer relationships in the Aegean area which has been so encouraging to us in the past year. Although the US would regret ever being in a position of opposing Greece on any question, Mr. Byroade felt he would be less than frank if he did not point out that we cannot offer the Greek Government any encouragement in expecting our support if it brings this question before the United Nations. We have noted Marshal Papagos' moderate approach to this problem, and we earnestly hope that he will find it possible to discourage popular agitation and to reconsider the advisability of instituting any UN action.

The Greek Ambassador indicated that he agreed completely with our analysis of the results of raising the Cyprus question in the UN and that his Government felt the same way. He stated more than once that it was the firm desire of his Government not to put this question to the UN, but that the pressures were so strong that it was hard to see how Greece could resist some positive action in the absence of any modification of the intransigent British stand. The Ambassador repeated what many other Greek officials have frequently said, "If the British would only agree to talk to us in a friendly fashion and admit that there is a problem between us." As in the case of other officials, he did not indicate what would be the terms of reference of such talks but did imply that some public indication of a British willingness to discuss the matter might make

[3]These instructions were transmitted to Cannon by telegram 2901 to Athens, *supra*.

it possible for the Greek Government to postpone to some indefinite future time the formal raising of this question.

No. 367

747C.00/5-1954

The Acting Secretary of Defense (Anderson) to the Secretary of State

TOP SECRET WASHINGTON, May 19, 1954.

DEAR MR. SECRETARY: Reference is made to a communication from the Acting Secretary of State, dated 18 February 1954,[1] which forwarded a copy of an *Aide-Mémoire* from the British Embassy[2] and which asked for an expression of opinion from the Department of Defense on the importance of Cyprus to the United States within the framework of overall United States strategic plans.

This communication and its accompanying *Aide-Mémoire* were referred to the Joint Chiefs of Staff, who now express the following views:

"The Joint Chiefs of Staff consider that base facilities in Cyprus are important to United States strategic interests in the Mediterranean area. Accordingly, they would prefer those arrangements which are most likely to permit their continued use by the armed forces of the United States."

The Department of Defense is not willing to go beyond this statement of U.S. military interest, or to take a position in a dispute between two of our allies in which the U.S. interest is not clearly affected.

ROBERT B. ANDERSON

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[1]Not printed. (747C.00/2-1854)

[2]Dated Jan. 28; outlined in Document 361.

No. 368

740.00/6-354

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Assistant Secretary of State for United Nations Affairs (Key)[1]

SECRET [WASHINGTON,] June 3, 1954.

Subject: Cyprus.

I refer to your memorandum of May 11[2] regarding the possibility of referring the Cyprus question to the North Atlantic Council in order to avoid the possible disruptive effects of a discussion of the problem in the UN General Assembly next September.

We had not, prior to receipt of your memorandum, given consideration to referring this question to the NAC. No NATO member has suggested such a move, and furthermore the NAC has never before, to my knowledge, been called upon to consider problems of this nature (i.e. a territorial dispute between two of its members). In fact the major emphasis in NATO to date has been upon the military alliance and we have deliberately avoided Council discussion of certain issues (e.g. Trieste) in order to avoid any possible break in the all-important NATO solidarity. Political consultation is an important function of the NAC, but matters involved in this consultation procedure are matters of common interest to NATO raised with a view to presenting a unified front to problems facing the NATO area as a whole.

It is true Article 1 of the North Atlantic Treaty states that the parties undertake "to settle any international dispute in which they may be involved by peaceful means in such manner that international peace and security and justice are not endangered. . . ."[3] This, however, we look upon as a statement of general principle, intended to reconcile this regional arrangement with obligations assumed under the UN Charter.[4] It does not establish a substitute for the UN Charter and its provisions for settlements of disputes. Neither the NAT nor any subsequent agreement of the parties establish any machinery for the collective handling of disputes between NATO partners.

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[1]Attached to the source text is a handwritten note by Popper: "Mr. Key: We expected this kind of answer. It will be helpful to us when we get complaints about how useless or harmful *GA* discussion of *Enosis* may be."

[2]Not found in Department of State files.

[3]Ellipsis in the source text. For text, see TIAS No. 1964; 63 Stat. (pt. 2) 2241; or United Nations Treaty Series (UNTS), vol. 34, p. 243.

[4]For text, see Department of State Treaty Series (TS) No. 993, or 59 Stat. (pt. 2) 1031.

Even if one were to assume the problem was an appropriate one for the NAC, there still remains the question of advisability. Thus far, there has been no indication that the *Enosis* problem has affected UK-Greek cooperation in NATO. We believe, on the other hand, there may be a danger that such cooperation would, in fact, be affected if the *Enosis* problem were now to be brought to the NAC. (Incidentally, I presume you are aware that Cyprus was specifically excepted from the NATO area by the terms of the North Atlantic Treaty).[5]

It is pertinent, of course, to estimate the probability of accomplishing something worthwhile in the *Enosis* case in the event of its being submitted to the NAC. First of all, the matter should not be put before the NAC without the approval of both parties to the dispute. The UK has refused to discuss the matter bilaterally with Greece. It is reasonable to assume the UK would not approve consideration by the Council if the UK expected the Council to find in favor of Greece. Greece on the other hand might well oppose submission to the NAC, on the assumption that the colonial powers in NATO would side with the UK. A defeat of Greece, express or implied, on this issue in the NAC could not help but make NATO still another target for blame by the Greek people. Both BNA and GTI agree that neither side is likely to change its position in this dispute without strong pressure from some source. The NAC is not in a position to assert such pressure.

Probably the most that could be achieved by way of Council action would be a recommendation that the two countries settle the matter bilaterally (which the British would resent) or that Greece drop its claims temporarily in view of the exigencies of the present world situation (which the Greek people would resent). Even if only a statement by Greece followed by a UK statement in the NAC were considered sufficient, there would be certain difficulties. In order to have assurance that other delegations, for example Turkey, would not also speak and set off a general discussion with risks of dissension within the Council, it would be necessary to contact all delegations in advance and "rig" the discussion. RA doubts the advisability of employing this device, which is rare in the NAC, for this purpose.

In summary, EUR is unable to foresee any solution to the *Enosis* problem in the North Atlantic Council. On the other hand, we foresee possible damage to NATO solidarity if the dispute should be submitted to the NAC in an attempt to find a solution or to give

[5]At this point appears a handwritten note by Popper: "Only from the area in which the obligations of *automatic defense* exist—not from area about which there may be consultation."

the parties an opportunity to state their respective positions. I feel very strongly that the various strains under which NATO is already operating at the present time make it extremely inadvisable to submit a problem such as *Enosis* to the NAC.

I might point out in this connection that reports indicate this problem has been very recently discussed in the Council of Europe. We are waiting official reports from the Consulate at Strasbourg[6] and will revert to this subject after these reports have been received and examined.

by WB

EUR—LIVINGSTON MERCHANT

[6]Telegram 7713 from Strasbourg, Sept. 18, reported that Stamatios Mercouris, a Greek Representative to the Consultative Assembly of the Council of Europe, announced in the general political debate the intention to bring up the Cyprus question in the near future. (747C.00/9–1854) No further reports on it from Strasbourg have been found in Department of State files.

No. 369

Editorial Note

Secretary Dulles briefed President Eisenhower at the White House on June 23 for talks with Prime Minister Churchill in Washington, June 25–29. A memorandum of conversation on this briefing by Douglas MacArthur II reads as follows: "The Secretary indicated that the British would probably ask us to support them with respect to Cyprus. The President indicated general familiarity with this question. He pointed out that if Cyprus were returned to Greece, the Turks would probably raise questions and vice versa, and that a maintenance of the *status quo* was probably the best solution at this time." (For text of this memorandum, see volume VI, Part 1, page 1071) Cyprus was not discussed in these talks, but Churchill stated its value as a military base after British withdrawal from Egypt. A memorandum of conversation, prepared in the Department of State, on the Eisenhower–Churchill meeting of June 27 reads in part as follows: "The Prime Minister went on to say that Cyprus and Jordan might be better than Suez for redeployment of British troops. He said that from such bases British forces might be flown to reinforce Malaya if needed."

No. 370

747C.00/6-2454

Memorandum of Conversation, by the Deputy Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter)

SECRET [WASHINGTON,] June 24, 1954.

Subject: Cyprus

Participants: Mr. Athanase Politis, Greek Ambassador
Mr. Henry A. Byroade, Assistant Secretary, NEA
Mr. William O. Baxter, Deputy Director, GTI

The Greek Ambassador called at his request to urge, as he said he had done last week in a conversation with Mr. Merchant,[1] that the US use its good offices during the forthcoming visit of Churchill and Eden[2] to discuss with them the Cyprus question in the hope of convincing the British to make some conciliatory move which would make it possible for the Greek Government not to raise this problem in the UN General Assembly next September.

After a recapitulation of the familiar arguments on both sides, Mr. Byroade expressed the opinion that, at this time when the British feel that we are partly responsible for their being pushed out of areas where they were once firmly established, it would be virtually impossible to approach Churchill on the basis of any idea that British sovereignty over Cyprus should be relinquished. The Greek Ambassador reiterated his belief that the solution of the problem could be postponed if the British would only agree now to recognize the existence of a question of mutual Greek-British interest and to demonstrate a willingness to discuss it. In this connection he was asked whether he thought his Government could agree to conversations which would not take up the sovereignty issue. It was suggested that perhaps the British, if they are willing to institute genuine constitutional and internal governmental reforms in Cyprus, might publicly recognize a legitimate Greek interest in the welfare of the Cypriots because of cultural, ethnic and religious ties. This might give an opportunity for British-Greek conversations, thereby meeting the Greek desideratum for bilateral discussions. The Ambassador was also asked whether, in such an event, he believed his Government would have sufficient influence with the Cypriots and the Ethnarchy to urge them to cooperate with the British and to accept a more active interest in local government as a step in the direction of their ultimate objectives. If this were pos-

[1] No record of that conversation has been found in Department of State files.
[2] See the editorial note, *supra*.

sible, it would have the advantage of isolating the Communists, who would, of course, oppose any sort of concession to "wicked British imperialism." At the present time the Ethnarchy has the embarrassing support of the Communists in its campaign for *enosis*.

The Ambassador stated that naturally he could not give official views on these queries without instructions from Athens, but his attitude implied that he did not consider it impossible for the Greek Government to accept something of this sort. He also expressed the opinion that his Government has considerable influence with Cypriot leaders and even more with the Ethnarchy.

No. 371

747C.00/7–254

Memorandum of Conversation, by the Deputy Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter)[1]

SECRET [WASHINGTON,] July 2, 1954.

Subject: Cyprus

Participants: Mr. Athanase Politis, Greek Ambassador
Mr. Henry A. Byroade, Assistant Secretary, NEA
Mr. William O. Baxter, Deputy Director, GTI

The Greek Ambassador called today at his request. He asked whether the Department had any information to give him on the Cyprus problem and whether recent discussions in Washington had evolved a formula which might make it possible for the Greek Government to avoid raising this subject in the UN. In a brief conversation at a social gathering a few days earlier, he had understood Mr. Dulles to say that the British had brought up the question during the Churchill-Eden visit[2] and that Mr. Byroade was in full possession of the details.

Mr. Byroade explained that he thought there must be some misunderstanding. To the best of his knowledge Cyprus was not mentioned by Eden or the Secretary. Of course, the President and Churchill had discussions at which no one else was present. Cyprus might conceivably have been brought up at that time, but, if so, no decision had been reached, as there was an agreement that any policy decisions made at such private sessions would be committed to writing. However, some time ago the British Embassy had asked

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[1]Drafted July 7.

[2]June 25–29; regarding the question of discussion on Cyprus during that visit, see Document 369.

the Department for its views on the Cyprus problem.[3] On the day of Eden's arrival, Mr. Byroade had called in a representative of the British Embassy[4] to talk informally along the same lines as the discussions a week ago with the Greek Ambassador[5]—that is, a tentative exploration of the possibility that the British might recognize the interest of the Greek Government in the Cypriots because of ethnic, cultural and religious ties and be willing to talk to the Greeks about British plans for the future welfare of the Cypriot people without any reference to a change in sovereignty. It might have been this discussion with the British which the Secretary had in mind.

The Ambassador appeared disappointed that nothing concrete had emerged during the Churchill-Eden visit and said that Greek newspapers were already interpreting, as directly applicable to Cyprus, the section of the Churchill-Eisenhower Declaration[6] which referred to "the principle of self-government." He asked Mr. Byroade if he could find out definitely whether the Secretary's remark to him meant that the Secretary had knowledge of some discussion of Cyprus of which Mr. Byroade was not aware.

Later Mr. Byroade telephoned the Greek Ambassador to say that, after checking with the Secretary, he had nothing to add to what had been said in his office earlier the same afternoon.

[3]Reference is to the British *aide-mémoire* of Jan. 28, outlined in Document 361.
[4]A memorandum of conversation with Feeley is in file 747C.00/6-2554.
[5]See *supra*.
[6]June 29; text in *AFP*, vol. I, p. 1707.

No. 372

747C.00/5-1954

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) and the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] July 7, 1954.

Subject: Cyprus

[1]Drafted by Wood and cleared by Barbour and Byroade, and with Baxter. Concurrences by Phillips (who attached a memorandum, not filed with the source text) and officers in BNA were also obtained. It was transmitted to Dulles through Kitchen and Murphy.

Problem

To answer a British *Aide-Mémoire* asking for our position on Cyprus and to attempt to persuade the Greek Government not to raise the Cyprus question at the next session of the United Nations General Assembly.[2]

Discussion

The British *Aide-Mémoire* (Tab C)[3] requested our support on the grounds that British sovereignty over Cyprus was of strategic importance to the United States. Our reply (Tab A)[4] based in part on consultation with the Joint Chiefs of Staff and the Department of Defense (Tab D)[5] states that 1) although American strategic interests no longer require a continuation of British sovereignty over Cyprus, we do not desire a change at this time, 2) that we have urged and will continue to urge the Greeks not to raise the issue in the United Nations; but that if they do we will have to balance our support of the British against our interest in the principle of self-determination. The substance of this proposed reply has already been communicated orally and informally to the British Embassy.[6]

We have tried unsuccessfully to persuade the Greek Government not to raise the issue in the United Nations. Greek leaders are publicly committed to do so unless the British agree to basic talks on the future sovereignty of Cyprus. This the British will not do. If the question goes to the United Nations, the Greeks may obtain considerable support from anti-colonial powers. However, they are very unlikely to obtain Cyprus.

The British have for some time offered the Cypriots a constitution which has been refused. We have informally suggested to the British and the Greeks that British authorities and representative Cypriots should start talks on the question of a mutually acceptable constitution.

Recommendation

1. That you approve the attached *Aide-Mémoire* (Tab A) for delivery by appropriate Department officers to representatives of the British Embassy. When delivering the *Aide-Mémoire*, the Department officers would stress to the British the hope that a sincere effort could be made to evolve an acceptable constitution for Cyprus.[7]

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[2]Dated Jan. 28, outlined in Document 361.
[3]Not filed with the source text.
[4]Not filed with the source text, but printed *infra*.
[5]Tab D, not filed with the source text, was Document 367.
[6]A memorandum of this conversation is in file 747C.00/6–2554.
[7]The source text indicates approval of this recommendation.

2. That you sign the enclosed letter (Tab B)[8] to Foreign Minister Stephanopoulos which NEA will hand to Ambassador Politis.

[8]The letter to Stephanopoulos, not filed with the source text, was signed by Dulles, July 12, but subsequently revised. For the revised text, delivered to Stephanopoulos by Cannon, July 28, see Document 375.

No. 373

747C.00/1-2854

The Department of State to the British Embassy[1]

SECRET

AIDE-MÉMOIRE

The Secretary of State refers to the British *Aide-Mémoire* of January 28, 1954,[2] expressing the British Government's concern at the apparent intention of the Government of Greece to raise the issue of Cypriot *Enosis* at the next session of the United Nations General Assembly.

The Embassy's *Aide-Mémoire* states that the British Government would welcome an assurance that the Government of the United States believes that the joint strategic interests of our two Governments demand there should be no change in the status of Cyprus. This Government recognizes that Cyprus is of strategic importance to the United States but is unable to confirm that United States strategic interests require that there be no change in sovereignty over Cyprus.

Nevertheless this Government is persuaded that political considerations of importance to the United States militate against such a change at this time.

The Embassy's *Aide-Mémoire* further requests that the United States Government continue to advise the Greek Government not to press their claim to Cyprus, particularly in the United Nations, and to make clear that the United States would oppose placing this item on the agenda of the General Assembly. Consistent with its practices of the past several years, the United States has availed itself of several recent opportunities both in Washington and Athens to impress upon the Greek Government the conviction of this Government that no useful purpose would be served, and in fact serious harm would be caused to Western interests, by the in-

[1]Drafted by Hamilton and Baxter and cleared by Barbour and Andrew B. Foster (BNA); approved by Dulles.

[2]See Document 361.

troduction of this controversial subject in the General Assembly. The United States will make further representations of this type.

For the present the Department only wishes to note that, should the Greek Government raise the matter in the United Nations, the United States Government would be confronted with the problem of reconciling general political considerations with the importance which it attaches to the principle of the self-determination of peoples.

WASHINGTON, July 12, 1954.

No. 374

747C.00/7-2754 Telegram

The Secretary of State to the Embassy in Greece[1]

SECRET NIACT WASHINGTON, July 27, 1954—6:04 p.m.

230. British have informed Department strictest confidence UK intention announce new limited constitution for Cyprus nearest future probably tomorrow July 28 and that Greek and Turkish Governments would be informed prior public statement in Parliament.[2] Although not satisfying Greek desire for direct talks with UK this can be considered constructive move to get problem off dead center. Greek Government cannot be expected welcome British proposal wholeheartedly but we hope Greek official reaction may be temperate and helpful.

In Department's view Greek Government will assume grave responsibility for disruption to free-world unity by bringing Cyprus question UN. Department seriously disturbed recent declaration Makarios urging violence as means achieving *Enosis*.[3] Department believes Greek Government should give most considered thought to modifying its policy on Cyprus and exerting influence to encourage Cypriot cooperation in orderly development self government along lines new UK proposals and to restrain Makarios from stepping out of his role as religious leader and inciting Cypriot population to violence.

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[1]Drafted by Baxter and cleared by Meyers and Jernegan; cleared in draft with Raynor.

[2]The statement by Hopkinson in the House of Commons, July 28, is in *H.C. Debs.*, 5th series, vol. 531, col. 504.

[3]Circular airgram 766 to Athens, Ankara, London, and Nicosia, July 31, reported that Archbishop Makarios made a speech rejecting the idea of a constitution and stated that although the campaign would remain peaceful, "British supporters of imperialist dreams only understand force." (747C.00/7-3154)

Department therefore wishes you deliver earliest July 28 to Stephanopoulos and/or Papagos as personal message from Secretary text letter forwarded you by GTI July 13[4] with changes suggested Embtel 196.[5] In your rewording combining paragraphs 7 and 8 original letter final sentence should be changed read: "This Government has made its views on this subject known also to the UK."

DULLES

[4]Reference is to a letter by Richards to Cannon, July 13, which enclosed a letter by Dulles to Stephanopoulos. (Athens Embassy files, lot 60 F 16, "350 Cyprus 1954") For the revised text of the message by Dulles to Stephanopoulos, July 28, see *infra*.

[5]Telegram 196 from Athens, July 24, reported that the letter by Dulles might be interpreted by the Greeks to mean U.S. full endorsement of the British position. The Embassy in Athens suggested changes in the text, which were approved by this telegram. (747C.00/7-2454)

No. 375

Athens Embassy files, lot 60 F 16, "350 Cyprus 1954"

Personal Message From the Secretary of State to Foreign Minister Stephanopoulos[1]

SECRET

I should like to set forth to you personally, confidentially, and with the friendliest motives the views of the Government of the United States on the difficult question of Cyprus. I know that Prime Minister Papagos and you desire to approach this problem in a conciliatory and constructive manner and I therefore feel that I may candidly explain why the Government of the United States is convinced that the introduction of this question in the United Nations at this time would result in serious and undesirable consequences.

This Government firmly believes that the strength of the free world's defense in the vital eastern Mediterranean region depends in large measure on the fullest cooperation and the continuing mutual sympathy of Greece, the United Kingdom and Turkey. However, as you are well aware, these are also the very countries primarily concerned with the future of Cyprus.

[1]Delivered by Cannon to Stephanopoulos in Athens on July 28; see telegram 238, *infra*. The message printed here contains revisions suggested by Cannon in telegram 196, July 24 (747C.00/7-2454), which were approved by telegram 230 to Athens, *supra*. The original letter, July 12, was not delivered to Stephanopoulos. (Enclosure to letter from Richards to Cannon, July 13, in Athens Embassy files, lot 60 F 16, "350 Cyprus 1954"; copy in file 747C.00/7-1254)

As all three countries have, for different reasons, strong views on the subject, it is a question which, we both realize, requires unusual forbearance and discretion. In these matters open pressures are rarely conducive to the best results.

It appears unlikely that, if the Cyprus question is raised in the forthcoming session of the United Nations, the union of Cyprus with Greece will thereby be accomplished. On the other hand, public debate would expose and increase the differences which exist among Greece, Turkey and the United Kingdom on this difficult subject. Such a development would be particularly unfortunate at a time when you are wisely seeking to strengthen your country's ties with Turkey and Yugoslavia.[2]

I need not point out that any differences between your country, the United Kingdom and Turkey would offer the opportunity for mischief which the Soviet Union is always seeking.

I therefore wish to express to you my profound conviction that a United Nations debate on Cyprus at this time would not achieve the goal which you desire, that it would have serious effects on Greece's friendly relations with her NATO and her two Ankara Pact partners, and that it would, by its disruptive effect on free-world unity, militate against the best interests of your own country.

The Government of the United States believes that the question is capable of being resolved by the Cypriots and the United Kingdom and that this can be approached in gradual stages. It appears to me that present tensions would be reduced if British officials and Cypriots were to agree to undertake talks looking toward formulation of a mutually acceptable constitution. This Government has made its views on this subject known also to the United Kingdom.[3]

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[2]At this point the original letter had an additional sentence deleted at the suggestion of Cannon with Department of State approval. It reads: "I believe there are deep popular feelings in Turkey on the subject of Cyprus which could not be ignored by the Turkish Government."

[3]This paragraph was suggested by Cannon and approved by the Department of State. In the third sentence, the words "has made" were supplied by the Department of State, replacing the words "plans to make." This paragraph replaced two paragraphs in the original, which read:

"The Government of the United States believes that the Cyprus question involves primarily the Cypriots and the United Kingdom. This Government is, nevertheless, also cognizant of the interests of Greece and Turkey.

"Is this not a question which should be approached gradually? It appears to me that a useful purpose might be served if representatives of the people of Cyprus were to agree to undertake talks with British officials looking toward the formulation of a mutually acceptable constitution. This could be a helpful step toward giving the Cypriots more voice in their own affairs while at the same time reducing

Continued

I should like to reiterate my admiration for the statesmanlike qualities which Prime Minister Papagos and Your Excellency have demonstrated on so many occasions. I am confident that you will receive this message[4] in the amicable spirit in which it is written and that you will weigh carefully the considerations which it contains.

[WASHINGTON,] July 28, 1954.

present tensions. This Government plans to make its views on this subject known to the United Kingdom and to Turkey."

The United Kingdom was informed of U.S. views on this subject by Hamilton in a conversation with Salt of the British Embassy in Washington, July 16; the memorandum of this conversation by Wood, July 16, is in file 747C.00/7-1654.

[4]At this point in the original letter, Cannon changed the word "letter" to "message"; see telegram 238, *infra*.

No. 376

747C.00/7-2854: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

SECRET PRIORITY ATHENS, July 28, 1954—7 p.m.

238. Deptel 230, July 27.[2] Secretary's personal message handed to Stephanopoulos at 2 p.m.[3] Only further change in text was substitution of "message" for "letter" in last paragraph. He asks earnestly that fact of communication as well as text itself be kept on strictly secret basis for present at least.

He gave it a naturally superficial first reading and would have liked me to construe it for him. I refrained but did make pointed presentation of observations along lines second paragraph reference telegram emphasizing timeliness of opportunity for Greek Government to exert influence with Cypriots in light new situation created by Makarios threat to resort to violence.[4]

He questioned briefly repeated references to Yugoslavia and Turkey but realizing greater import of message in its entirety did not press these points. Seventh paragraph (revised text) engaged his special attention. He hoped "gradual stages" means reasonable progress toward an inevitable evolution and not indefinite postponement. We can expect him to give microscopic examination to phrase "agree to undertake talks toward formulation of mutually acceptable constitution." He wonders if this means we are exerting

[1]Repeated to London and pouched to Nicosia.

[2]Document 374.

[3]*Supra*.

[4]See footnote 3, Document 374.

our influence with the British not to "impose" a constitution. He told me British Chargé expects this afternoon to receive and to communicate to him text of announcement in Parliament with regard to constitution.[5] He fears it will be sterner than US position cited. I said that whatever that declaration may be Greek Government can perform an act of high statesmanship by telling Cypriots in clearest terms they should take care not to reject any proposal out of hand but take time to consider calmly and seek any ground for getting discussions started.

CANNON

[5]Reference is to Hopkinson's statement before the House of Commons, July 28. (*H.C. Debs.*, 5th series, vol. 531, col. 504)

No. 377

747C.00/7-2854

Memorandum of Conversation, by the Deputy Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter)

SECRET [WASHINGTON,] July 28, 1954.

Subject: Cyprus

Participants: Mr. Athanase Politis, Greek Ambassador
Mr. Henry A. Byroade, Assistant Secretary, NEA
Mr. William O. Baxter, Deputy Director, GTI

The Greek Ambassador called today at his request to discuss Cyprus. He seemed disappointed that Mr. Byroade could not give him encouraging news with respect to the British attitude. Mr. Byroade told him that, on the contrary, he feared we had underestimated the firmness of the British position and the importance they attach to maintaining it. Within the last few days we have had indications that British Government feels so strongly about this matter that it may very well stage a walk-out on any discussion of Cyprus in the UN. He reiterated his belief that the Greek Government has chosen a most inopportune time to bring up a problem which, in a more dormant form, has been a source of irritation for years. Smarting under the forced evacuation from Egypt and faced with moving its Middle East headquarters from Suez to Cyprus, the British at this time will be completely inflexible on any move which threatens their sovereignty over Cyprus.

Mr. Byroade indicated that the US Government is seriously concerned about this matter, believing that an airing of this problem in the UN could profit no one but the Soviet bloc. It is not conceiv-

able that the Greek objective of *enosis* could be achieved in this session of the GA, and in fact any process of gradual and orderly evolution toward that end would only be retarded by emotional clashes in full view of the world between two such old friends as Greece and the UK. We are also disturbed by the recent declaration of Archbishop Makarios counseling the Cypriots to resort to violence in order to drive the British out.[1] Threats of this sort are not conducive to an amicable solution of differences.

Mr. Byroade informed the Ambassador that we had learned confidentially from the British of their intention of announcing a new constitution for Cyprus, if not today in Parliament, certainly before the end of this week, a move which was to be communicated to the Greek and Turkish Governments prior to the public statement.[2]

The Ambassador said that new British proposals for a constitution in Cyprus had been expected by his Government, but, of course, would not be enough to satisfy anyone. Public opinion is now running so high on this question that neither this Greek Government nor any which could be envisaged would be able to remain in power if it did not respond to the will of the people by taking this matter to the UN. He repeated what he had often said before, that the only thing which can prevent such a step on the part of the Greek Government is a willingness of the British to engage in bilateral discussions.

The Ambassador said further that his Prime Minister wished him to call to the attention of Secretary Dulles a recent exchange in the House of Commons which had "outraged" Greek sensibilities. Mr. Mallalieu[3] had reminded the House that in 1897 Gladstone had said "he hoped that Cyprus would very soon become a Greek island." Mr. Nutting had replied for the Government: "We are now living in 1954, not 1897."[4] The Ambassador did not see how such a retrogressive attitude of the British could be defended. Certainly times have changed—but in the other direction, that is, toward more recognition, whether rightly or wrongly, of the rights of peoples to self-determination. This was reaffirmed only a few weeks ago by Eisenhower and Churchill in their communiqué at the end of the Washington talks.[5]

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[1]Reference presumably is to the statement by Makarios quoted in footnote 3, Document 374.

[2]Reference is to the statement by Hopkinson before the House of Commons, July 28. (*H.C. Debs.*, 5th series, vol. 531, col. 504)

[3]Joseph P. W. Mallalieu, Labour Member of Parliament.

[4]This exchange took place July 21. (*H.C. Debs.*, 5th series, vol. 530, col. 46)

[5]June 29; text in *AFP*, vol. I, p. 1707.

Mr. Byroade said he would again bring the subject of Cyprus to the attention of the Secretary, after which he would get in touch with the Ambassador.[6]

[6]Records of Byroade's intended discussion of Cyprus with Dulles and a subsequent contact by Byroade with Politis have not been found in Department of State files.

No. 378

747C.00/8–454 Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

SECRET PRIORITY ATHENS, August 4, 1954—2 p. m.

291. Reference Department telegram 230 July 27.[2] Foreign Minister last night handed me personal message for Secretary[3] in reply Secretary's message on Cyprus question which I delivered July 28.[4]

Text is ten pages long and therefore forwarded by today's pouch. It is presentation Greek position on Cyprus issues composed at moment of bitter disappointment and resentment caused by recent British parliamentary debate and measures currently being taken by authorities in Cyprus. As could be expected in these circumstances it is negative response to Secretary's request that question not be raised in UNGA, and sets forth four considerations explaining why Greece can follow no other course. Message also reveals extreme sensitiveness, and contains angry comment about Turkey's pretensions as regards settlement of Cyprus problem.

CANNON

[1]Repeated for information to London and Nicosia.
[2]Document 374.
[3]Not printed. (Athens Embassy files, lot 60 F 16, "350 Cyprus 1954")
[4]Document 375.

No. 379

747C.00/9-154: Telegram

The Acting Secretary of State to the Embassy in Turkey[1]

CONFIDENTIAL WASHINGTON, September 6, 1954—11:02 a. m.

293. Menderes' personal letter to Secretary on Cyprus Embtel 244,[2] rptd London 45, Athens 29, Nicosia 3 handed to Secretary just before his departure Manila. Deliver following to Prime Minister as personal message from Acting Secretary:[3]

"I wish express my sincere thanks to you for the clear and frank views of the Turkish Government on the Cyprus question contained in your recent personal message to Secretary Dulles.

"This Government regrets the action of the Greek Government in proposing that Cyprus be included on the agenda of the forthcoming General Assembly. Its discussion there can, in our opinion, lead to no early solution and will on the other hand jeopardize the close relationships existing among the NATO members concerned and particularly between Greece and Turkey and Greece and the UK.

"This Government is giving most urgent and serious consideration to this problem but has not yet reached a final decision as to its position when the Greek item is presented in the General Committee. I trust you will treat this information as confidential.

"You may be assured that this Government will weigh with fullest sympathy the views of the Turkish Government in formulating its policy."

According to Department's information Greek Government still underestimates strength of Turkish reaction. At time of presenting foregoing message you should suggest orally our belief that Turkish Government should again make its views known to Greece in order assure against any possible misunderstanding when question raised in UN. Although we appreciate strong Turkish feeling on this question, Turks should understand US view that Western unity is of paramount importance. We therefore hope Turkish Government will seek to discuss question in frank and friendly manner with Greek Government and that Turks while making their posi-

[1]Drafted by Baxter and cleared by Jernegan, Hamilton, Barbour, Smith, and Kitchen. Repeated to Athens, London, and Nicosia.

[2]Telegram 244, Sept. 1, reported that Adnan Menderes, Prime Minister of Turkey, had sent a letter to Dulles urging the United States to take a firm position against inclusion of the Cyprus question on the U.N. General Assembly's agenda and against U.N. action if the item was placed on the agenda. (747C.00/9-154) Menderes' message to Dulles, Aug. 31, is in file 747C.00/8-3154.

[3]No information as to the delivery of Smith's message to Menderes has been found in Department of State files. It apparently was an interim reply, since Dulles also replied to Menderes in Document 386.

tion clear should also show desire to work for mutually satisfactory solution of problem so that it will not poison NATO relationships or jeopardize future Balkan alliance.

SMITH

No. 380

747C.00/9-1454

Position Paper Prepared in the Office of United Nations Political and Security Affairs

CONFIDENTIAL
SD/A/C.1/448

[WASHINGTON,] September 14, 1954.

THE CYPRUS PROBLEM

The Problem

The Greek Government has proposed for inclusion in the agenda of the Ninth General Assembly the item entitled "Application, under the auspices of the United Nations, of the principle of equal rights and self-determination of peoples in the case of the population of the island of Cyprus".[1] Submission of this item by Greece, despite the vigorous opposition of the United Kingdom and despite our repeated advice against doing so, confronts the United States with the necessity of taking a position a) on admitting the item for Assembly discussion, and b) on the substance of the case which Greece will attempt to make.

United States Position

1. The United States should abstain in any vote on inclusion of this matter in the agenda.[2] In this connection it should be made plain that while the United States does not wish to oppose the principle of freedom of discussion in the Assembly, it does not believe that attempted action on this problem by the General Assembly would have constructive or helpful effects.

2. If the problem is included in the agenda, the United States should endeavor to keep the discussion as brief and restrained as

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[1]Reference is to the letter from Papagos to Hammarskjöld, Aug. 16. (U.N. Doc. A/2703)

[2]The Secretary's staff meeting notes, 9:15 a. m., Tuesday, Sept. 14, read in part as follows:

"*UN Voting on the Cyprus Question*

"4. Mr. Key noted that the UK no longer had any strong feelings about our vote on the Cyprus question. The Secretary said that his inclination therefore was to abstain from this vote." (Secretary's Staff Meetings, lot 63 D 75, "Notes 195–264, SM N-264")

possible, enlisting the aid of other friendly delegations to that end. Any statement of United States views should rest on the assertion that the best method for development of increased self-government in Cyprus lies in direct discussions between the British Government and representative Cypriot leaders. If necessary, in connection with particular proposals which may be advanced, the United States Delegation should warn against the danger of overstepping the limits set by Article 2/7 of the Charter.[3]

3. The United States should privately urge the British and Greeks to adopt as reasonable and restrained an attitude as possible, and should advise them to avoid direct attacks on or criticism of each other.

4. As to the General Assembly's competence to deal with this matter, the United States should be guided by the following principles:

a) Mere discussion of this problem by the General Assembly does not involve the question of competence;
b) The problem of competence does come into play in connection with particular proposals or resolutions and we believe that at this point there is grave danger of overstepping the limits of Article 2/7 on "domestic jurisdiction".

5. In line with the position stated in the preceding paragraphs, the United States should endeavor to avoid Assembly action which might make the situation more difficult.

Comment

Pressure has been building up for several years for presentation of the Cyprus issue to the General Assembly by the Greek Government. Since 1950 the publicity and the propaganda toward this end have been intensified. Greek nationalist feeling has been strongly aroused at home, while the Greek Orthodox Church hierarchy in Cyprus—and even the Cypriot Communist Camp—have raised a mounting clamor for *"Enosis"* (union with Greece). In 1950 the Greek Church held an unofficial "plebiscite" of the Greek Orthodox population in Cyprus, with the reported result that about 95% of group polled registered a desire for union with Greece.

In the face of this mounting campaign in Cyprus and in Greece, the United Kingdom has firmly resisted these pressures and has, from time to time, applied strong measures to discourage sedition

[3]It reads: "Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the Members to submit such matters to settlement under the present Charter; but this principle shall not prejudice the application of enforcement measures under Chapter VII." For the text of the Charter of the United Nations, adopted in San Francisco, June 26, 1945, see TS No. 993, or 59 Stat. (pt. 2) 1031.

or incitement to disorder in Cyprus. Early in August the British announced the intention of working out and applying a new constitution for Cyprus.[4] Their earlier offer of a more liberal constitution in 1948 was rejected by the Cypriots; announcement of the present British plan has also aroused initial opposition among Cypriot nationalists, the Orthodox Church hierarchy in the island, and among the Communists. While the United Kingdom has undertaken limited programs of economic development and improvement for people of the island, its recent conduct of local political affairs has exposed it particularly to criticism from the anti-colonial nations, and from the Soviet bloc, as well as from the Greek Government.

Last December the Greeks made it clear in the General Assembly that, unless the British would at least discuss with them the possibility of giving the Cypriots a chance to decide their political status, Greece would feel compelled to bring this matter before the General Assembly. At intervals throughout the present year the Greeks have attempted to raise the matter privately with the British but have met with stern rebuffs.

The British position is that Greece is simply asking for a bit of British territory. With its military evacuation of the Suez Canal Zone, the United Kingdom places very great strategic importance on full and unquestioned control of the island of Cyprus which they now intend to develop as a major base for their Middle East position. Finally, they insist that the affairs of Cyprus are strictly within the "domestic jurisdiction" of the United Kingdom, and that therefore it is entirely improper to bring the matter before the United Nations. The British have informed us that they regard the Cyprus issue as the "touchstone" of the coming Assembly session and that, if the Assembly proceeds to deal with this question or attempts to interfere in any way with their administration, the United Kingdom may have to reconsider its policy of "cooperation" with the United Nations in the entire field of non-self-governing territories affairs. They have repeatedly stressed the importance they attach to obtaining full support of their position by the United States.

The United States has on several occasions this year strongly advised the Greek Government not to raise the Cyprus question in the General Assembly. The most recent step of this kind was a personal message from Secretary Dulles to the Greek Minister for Foreign Affairs, delivered on July 28.[5] The Greek Foreign Minister re-

[4]Reference presumably is to Hopkinson's statement before the House of Commons, July 28. (*H.C. Debs.*, 5th series, vol. 531, col. 504)

[5]Document 375.

plied that Greece could not possibly back down on raising this issue.[6]

Greece bases its complaint principally on Article 1, paragraph 2, as well as Articles 10 and 14 of the Charter, using as its major theme the issue of "self-determination", a principle which the anti-colonial nations have for several years been attempting to define by United Nations pronouncement in a manner which could be used to call into question established territorial settlements and treaty rights in many parts of the world. In view of our practice of not opposing the principle of freedom of discussion in the General Assembly, it would be difficult for us to deny that the Assembly has the power under Article 10 of the Charter to *discuss* questions such as the Cyprus problem. At the same time we are keenly alive to the harm to Allied unity which could be caused by all but the most restrained discussion of this sensitive issue since the British regard mere discussion as interference in their internal affairs. While the United Kingdom will without question make the "domestic jurisdiction" argument at the very outset (in connection with inclusion in the agenda), the United States should use this argument sparingly and mainly in connection with the dangers of particular draft resolutions.

So far as is presently known, the Greeks would hope to obtain at least a general expression of sympathy by the General Assembly for application of the principle of "self-determination" in the political affairs of Cyprus. Because of a substantial Turkish minority in Cyprus (15–18%), and because of the proximity of Cyprus to the Turkish mainland, Turkey is strongly opposed to Assembly consideration of this problem or interference of a character likely to encourage any change in existing sovereignty. For this reason, anything but the most careful and restrained discussion of the problem in the Assembly is likely to revive and accentuate old Greek-Turkish antagonisms and damage the solidarity achieved to date in the Balkan Pact among Greece, Turkey and Yugoslavia. Any untoward Assembly action on this problem could seriously worsen British-Greek relations and to that extent weaken the fabric of solidarity in the NATO system. At the same time, the Government of Marshal Papagos has staked its prestige at home and abroad on obtaining an airing of its views on Cyprus at this Assembly. A negative United States vote on the procedural matter of inclusion in the agenda might lead to a serious weakening of our influence in Greece, even though their government is fully aware that we do not agree with and cannot support their substantive demands.

[6]Reference is to the personal message from Stephanopoulos to Dulles, handed to Cannon, Aug. 3; see Document 378.

While an abstention will not please the British, they are now mainly interested in obtaining our help to defeat any harmful or unwise action by the Assembly.

While the maintenance of control over Cyprus in the hands of a stable and friendly power is of strategic importance to the United States as well as to the United Kingdom, our dislike of General Assembly involvement in the problem of Cyprus is based principally on political grounds which the British and the Greeks both understand. We do not attach the same importance as do the British, from the strategic point of view, to the retention of Cyprus under British control, but there are obvious, strong political reasons for our desire not to see British sovereignty over the island disturbed in any way under present conditions.

No. 381

747C.00/9-1554: Telegram

The Secretary of State to the Embassy in Greece[1]

SECRET WASHINGTON, September 15, 1954—7:15 p. m.

657. UK Embassy informed by Department today and UK delegation being informed by USUN that US will abstain inscription Cyprus question UNGA agenda.[2] Department also informing Greek Turkish Embassies pointing out our primary policy on this question is to lessen inter-Allied tension and therefore we will seek cooperation avoiding heated debate or GA action likely worsen situation.[3]

Following points to be made to British and Turkish Embassies here:

1. US will seek discourage debate on application principle self-determination.
2. Will actively oppose any resolution.
3. Department believes that even a negative US vote would not prevent item from being placed on agenda. US will retain greater freedom exert moderating influence on Greek and other interested delegations.

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[1]Drafted by Wood and cleared with Allen (EUR), Raynor, and Niles W. Bond (UNP) by Baxter. Also sent to Ankara and London and repeated for information to Nicosia.

[2]A memorandum of conversation by Key, Sept. 15, informing Beeley of the U.S. decision to abstain in the vote on the Cyprus item is in file 747C.00/9-1554. No record of informing the British Delegation at the United Nations has been found in Department of State files.

[3]No record of communicating the U.S. decision to the Greek and Turkish Embassies as of Sept. 15 has been found in Department of State files.

4. We assume UK will agree criticisms Greece be avoided for sake Western unity. Also urge UK avoid walkout which we believe would increase tension and might increase chance passage Greek resolution.

Greek Embassy will be informed US remains convinced no good can come of debate. While US is prepared not to oppose inscription Greek Government should realize it has responsibility handle question with greatest moderation and avoid criticism UK or Turkey and should not press for passage of a resolution as this would make more difficult eventual Greek-UK *rapprochement*.

London and Athens may at their discretion make similar *démarches*. Ankara should inform Prime Minister along foregoing lines as final reply his personal message to Secretary August 31.[4]

DULLES

[4]See footnote 2, Document 379.

No. 382

Eisenhower Library, Eisenhower papers, Whitman file

Prime Minister Churchill to President Eisenhower[1]

TOP SECRET
PRIVATE AND PERSONAL

SEPTEMBER 18, 1954.

MY DEAR FRIEND: I did not complicate my long telegram to you about Europe[2] by referring to the isolated question of Cyprus about which you wrote to me on August 20.[3]

[1]This message was transmitted by Makins, Sept. 18, through the White House to Eisenhower, who was at a ranch near Fraser, Colorado. Makins also sent a copy to Smith. A handwritten notation on another copy notes that Eisenhower saw it on Sept. 20, and phoned Smith. (Eisenhower Library, Eisenhower papers, Whitman file, "Dulles-Herter series")

[2]Transmitted Sept. 17; for text, see vol. v, Part 2, p. 1225.

[3]The portion of this letter on the Cyprus question reads as follows:

"Right now I am wondering how you will handle the Cyprus situation. This, of course, is strictly one of your family problems and I am not mentioning it with any thought that my own opinions should have a bearing on such a matter. My indirect concern, though, arises out of resultant effects upon American opinion. You and I have devoted a lot of time and thought to keeping relationships between our two peoples both durable and cordial, and I am anxious to be in a position to be as helpful as possible when there appears to be any chance of damage to those relationships.

"If you should like to give me a little briefing on the matter, I might be in a position to do something. Incidentally, some of our people who have been travelling recently in Greece have come back and spread stories to the effect that Greece and Cyprus are quite ready to be reasonable and conciliatory—of course I do not know how accurate are their observations and their reporting. But this kind of thing does

Continued

A factual note is being prepared which I will send by airmail,[4] but I understand our Embassy in Washington has already supplied the State Department with information.[5] A simple test is to compare the conditions prevailing in Cyprus with those in the Greek Islands and particularly in Rhodes since the Greeks took them over from the Italians. Cyprus has never known more rapid progress while in the others there is a grievous decline.

I feel it is my duty to tell you that the failure of the United States to support us at U.N.O. would cause deep distress over here and add greatly to my difficulties in guiding public opinion into the right channels in much larger matters.

It cannot be disputed that our claim against the inscription of this question affecting our own external affairs is justified by the Statutes and spirit of U.N.O. If any such item were discussed by the Assembly, we would of course walk out. Injury would be done to that institution of which the United States and Britain and her Commonwealth are the main pillars. Cyprus would acquire utterly disproportionate publicity and be magnified by the enemies of the English speaking world on both sides of the ocean into a marked difference between us. I do trust therefore that we shall not be confronted with American abstention.

Kindest regards,

As ever,

WINSTON

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serve to give you some idea of why I am interested in the other side of the story." (Eisenhower Library, Eisenhower papers, Whitman file)

[4]Transmitted by Makins to Eisenhower, Sept. 20; for text, see *infra*.

[5]Reference is possibly to the fact that on Aug. 25 the British Chargé handed Dulles a memorandum requesting U.S. support in resisting inscription of the Cyprus item on the U.N. General Assembly's agenda. On the following day, Salt gave Allen (EUR) a longer paper setting forth the British position. (747C.00/8-2654) Makins also handed to Smith the paper prepared by the British Chiefs of Staff on the "Strategic Importance of Cyprus to the United Kingdom," Sept. 17. (747C.00/9-2054)

No. 383

Eisenhower Library, Eisenhower papers, Whitman file

The British Ambassador (Makins) to President Eisenhower

WASHINGTON, September 20, 1954.

DEAR MR. PRESIDENT: With reference to the message to you from the Prime Minister about Cyprus which I sent to you on September 18,[1] I enclose the factual note referred to in that message.

Yours sincerely, ROGER MAKINS

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[1]*Supra*.

[Enclosure]

BRITISH FACTUAL NOTE

CYPRUS

The strategic importance of our continued sovereignty in Cyprus in relation to the stability and defence of the Middle East is described in the paper prepared by the Chiefs of Staff which has already been handed by the Ambassador to General Bedell Smith.[2] The paper makes it quite clear why the suggestion of a leased base does not provide the answer on the strategic point. Confidence in the United Kingdom's willingness and ability to fulfill its treaty obligations in the Middle East is an essential element in the building up of any effective defence in the area. The free world cannot afford a power vacuum on N.A.T.O.'s southern flank.

2. The international airing of this question has already done enough harm to Anglo-Greek and Greek-Turkish relations. During the recent N.A.T.O. exercise, "Keystone", Greek and Turkish officers could scarcely be brought to talk to each other. A decision on Cyprus at the United Nations might well put a strain on Greek-Turkish relations which they could not bear.

3. The only people who can profit by this controversy are the Communists.

4. This is not a question of self- government in a colony but one of transferring one, indeed two, ethnic groups from one sovereignty to another. To allow the United Nations to discuss Cyprus on the pretext of self-determination would open the flood gates for the pursuit of territorial claims everywhere. If, for instance, some Communist power proposed United Nations intervention in favour of self-determination for the so-called free Thais in Siam, would the United States abstain? There are dozens of other areas all round the world about which there could be endless squabbles. China, for example, could claim large bits of Northern Burma and India on grounds of history and racial affinity.

5. It is not at all certain what the Cypriots themselves want. Unilateral clamour is no evidence of a people's will and in this connexion it is legitimate to recall that by the time that Hitler had shouted long enough, a very large number of people thought that ninety per cent of Austrians wanted to be submerged in the Third Reich.

[2]Not printed. (747C.00/3-2054)

Nor can the church-run plebiscite of 1950, backed as it was by threats of the withdrawal of Baptism and other church rites, be regarded as an indication that Cypriots really want *Enosis*. Plebiscites anyhow are of the political armoury of dictatorships. Democracies have other means of determining a people's will.

6. Our attitude is not entirely negative. We are determined to develop normal democratic constitutional processes in Cyprus, and when the Cypriots have had experience of running their own affairs, Her Majesty's Government have little doubt about the judgment they will form in regard to where their true interests lie. Cyprus has the highest standard of living in the Middle East and the second lowest death rate in the world. We have the impression that the long-standing boycott of any constitution by Cypriot extremists both of left and right is largely due to their fear that a constitution would provide a platform for moderate opinion which at present finds no expression, except, e.g. when British troops, recently arrived in Cyprus from Egypt, were warmly welcomed by the people.

7. It is therefore very much to be hoped that even if the United States Government do not share our interpretation of Article II (7) of the United Nations Charter,[3] and cannot accept our view that the United Nations have no jurisdiction, nevertheless they would oppose inscription on the practical merits of the case and having regard to the interests of the free world.

8. There is no doubt at all that active United States support for us would clinch matters in our favour. Even as things are our enquiries all round the world show that the votes at the United Nations are likely to be pretty evenly divided. If the United States were to vote against inscription, the matter would not be inscribed.

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[3]Quoted in footnote 3, Document 380.

No. 384

747C.00/9-2054: Telegram

The United States Representative at the United Nations (Lodge) to the Department of State

CONFIDENTIAL
PRIORITY

NEW YORK, September 20, 1954—4 p. m.

Delga 2. Re Cyprus Deptel 157.[1] Dixon and Hopkinson (UK) called on me this morning to discuss Cyprus. Hopkinson opened the discussion by saying that he had come to New York to put the arguments in every possible way to keep Cyprus off the agenda. The British were very distressed that a rift in Anglo-Greek relations had occurred and the Greeks themselves realized that the matter had gone too far and would like to find a way to extricate themselves. The UK would like also to find such a device, but anything that might be done, short of rejecting the item on the agenda, raised the issue of British sovereignty which they could not allow to happen. The UK military staff were convinced that the only possible effective control for military installations in Cyprus came from complete sovereignty and administration in their hands. They had only to mention Suez to demonstrate that anything else was not good enough. They were, of course, prepared to give Cyprus self-government, but they could not admit the principle of self-determination in this case. Self-determination would mean that Cyprus could if it wished, not only join Greece, but establish an independent Communist island; in fact, if an election were held today, that would be the outcome. From the UN standpoint, an equally important point was that putting the Cyprus question on the agenda opened the door for any country to raise any question, even, for example, the question of a claim by Colombia to the Panama Canal Zone. It might, in fact, encourage the Turks to raise the question of the large Turkish minority in Western Thrace and Thrace's annexation to Turkey, or for the Soviets to raise the question of the Kurds in Iran and Iraq and lay claim to those areas.

I pointed out that we had been given the impression the UK was resigned to having the matter on the agenda and that hence our abstention was not so disturbing.

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[1]Telegram 157, Sept. 18, authorized USUN to suggest that the United Kingdom explore with selected Latin American delegations the possibility of a vote for postponing the question of inscription of Cyprus on the agenda of the General Assembly, immediately after Greece and the United Kingdom stated their positions, with a view toward the British and the Cypriots working out matters between themselves. (747C.00/9-1554)

Hopkinson said they could not understand how such an impression had been created, that their position had been unchanged from the beginning, and Dixon pointed out that as things now looked, our vote might be the decisive factor in adopting the agenda. Very strong support had developed for the British position and even Krishna Menon had promised not to vote for inscription. Iraq, Liberia, Colombia and Pakistan had promised also, but they might be one vote shy in defeating the item. Dixon stated that frankly a lot also depended on the Scandinavian bloc, and Canada had not yet decided either.

I said that it would take a tremendous amount of education of the American public before we could vote against inscription and asked if there was anything the UK could do to save Greek face.[2] Hopkinson said they had racked their brains and had not been able to think of anything. I also pointed out that voting against the Greeks could have a decisive effect on our coming Congressional elections in a number of crucial districts.

Dixon suggested that if we voted against inscription we might make a balanced statement bowing somewhat to Greek sentiment but referring to the importance and complications of NATO, the use the Communists would make of the dispute, and even saying that we hoped the UK and Greece would talk together to settle the question. I asked at this point whether the UK would in fact talk, and Dixon and Hopkinson admitted they would not. They said that Churchill was sending a message to the Secretary[3] and they hoped to have a further talk with the Secretary and me tomorrow,[4] since time was of the essence before the meeting of the general committee on Wednesday. I said that we would take up the question again and keep closely in touch with them.

I have the impression that rather than see the matter go on the agenda, they would reluctantly accept a decision to postpone adoption of the agenda, as outlined in Deptel 157. I feel we should wait

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[2]Regarding efforts to find a way "to save Greek face," a memorandum by Key to Lodge, Sept. 16, reads:

"The Secretary was unable before his departure yesterday to reply personally to your telegram of September 13 in which you referred to a possible face-saving procedure for the Greeks in respect of Cyprus, suggested to you by Mr. [Tom-Anthony] Pappas [Greek-American businessman]. This same idea was raised privately with the Under Secretary about two weeks ago by Spyros Skouras (Motion-Picture Executive), who also was able to mention the matter directly to Churchill. The British Prime Minister flatly rejected the whole idea, and Mr. Eden sent us a personal message stating that the UK could not possibly make any public or private statement of the nature suggested since this could only be taken as yielding in the face of Greek pressure. Accordingly, that particular idea appears to offer no fruitful possibilities under present conditions." (USUN files, Cyprus—1950-August 1955)

[3]Not further identified.

[4]A memorandum of this conversation by Cook is in file 747C.00/9-2154.

to sound out the LA's however, until the Secretary has been informed of latest developments tomorrow.

LODGE

No. 385

747C.00/12-154

The Secretary of State to Prime Minister Churchill[1]

SECRET [WASHINGTON,] September 21, 1954.

DEAR SIR WINSTON: The President received your message of September 18[2] while in the Colorado hills, and phoned me about it, particularly regarding the question of Cyprus, on which he asked me to write you at once. Let me say first that we fully share your view that, on the merits of the case, it would seem to be highly desirable to avoid discussion or action in the United Nations. We full appreciate the distress and difficulties which any such discussion would create for you in the General Assembly, and we ourselves are not unconcerned. However, the question as to how to vote on inclusion of this matter on the agenda poses an exceedingly difficult problem for us because of our traditional liberal view of the relevant charter provisions and because we have consistently and publicly adhered to the principle of the right of discussion in the General Assembly. We fought very hard for this at San Francisco in the face of Soviet opposition.

Also involved are our relations with Greece as well as our own public and political opinion.

To make things doubly difficult, I learn that our intention to abstain has been made known to the Greek Government and to others as well. In fact, it almost impossible for us now actually to vote against inscription. Even to abstain, which we shall do, stretches our principles. We have talked this over with Roger Makins.[3] We shall quietly let it be known, particularly to the pro-

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[1]The source text is an enclosure to Document 401.

[2]Document 382.

[3]No memorandum of that conversation between Dulles and Makins has been found in Department of State files. A memorandum of conversation by Brig. Gen. C. Stanton Babcock, Counselor of the U.S. Mission to the United Nations, to Lodge, Sept. 15, stated that Key telephoned Babcock that morning to inform him that Dulles was informing Makins that morning of the U.S. decision to abstain on the question of inscribing the Cyprus item on the agenda. (USUN files, Cyprus—1950–August 1955) A memorandum of conversation at the Secretary's staff meeting by Walter K. Scott, Director of the Executive Secretariat, Sept. 20, stated that in his talk with Acting Secretary Smith on Sept. 18, "Ambassador Makins stated that the British heard that we planned to abstain on the question of placing the Cyprus

Continued

spective members of the general committee, that we very much dislike the prospect of a discussion of the Cyprus question at this time. That may have sufficient effect on some of the members, so that the result might prevent inscription. I am about to discuss this with Dixon and Hopkinson of your delegation.[4] Also, as far as consistent with our abstention, we shall in our statement in the general committee discourage development of the item.[5] If the vote in the committee is adverse to inscription, which now seems possible, we shall then vote in the plenary to uphold the action of the general committee in excluding the item from the agenda.[6] Finally, if the item is included on the agenda, we shall actively oppose the passage of any resolution and will do all possible to keep any discussion to the absolute minimum.

Faithfully yours,

FOSTER DULLES

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matter on the UN agenda. On the Greek Cyprus petition, the British now felt that the matter was touch and go. They would like us, if we find it necessary to abstain, to at least let it be known discreetly that we hope the matter did not come up for debate. General Smith stated that he felt favorably toward this request and expected to talk to the Secretary about it upon his return." (Secretary's Staff Meetings, lot 65 D 75, "Minutes 1954–1955")

[4]A memorandum of this conversation is in file 747C.00/9–2154.

[5]This statement has not been further identified.

[6]A memorandum of conversation with Dulles by Lodge, Sept. 22, stated that Dulles "said that his statement should be interpreted as meaning that we should vote to support the full report of the General Committee *en bloc* but that if the issue is drawn on Cyprus by itself in the Plenary session, then we should continue to abstain". Dulles and Lodge "agreed to take a fresh look at the whole matter if the unexpected happened and the Cyprus matter was not inscribed in the General Committee." (747C.00/9–2254)

No. 386

747C.00/8–3154

The Secretary of State to the Turkish Ambassador (Erkin)[1]

CONFIDENTIAL WASHINGTON, September 21, 1954.

EXCELLENCY: I have the honor to acknowledge the receipt of the note of August 31, 1954, from the Turkish Embassy, quoting the text of a message from His Excellency Adnan Menderes relating to the question of Cyprus.[2] I should be appreciative if you would transmit to Mr. Menderes the following reply:

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[1]This message was drafted by Baxter, Sept. 23, and signed by Jernegan on the following day.

[2]See footnote 2, Document 379. That telegram apparently transmitted an interim reply by Smith to Menderes.

"I have been most interested in receiving Your Excellency's further views with respect to the Cyprus issue. This Government has continued to give its most serious consideration to this problem and all of the points which you have raised have been studied with great care.

"The United States remains convinced that discussion of the question in the General Assembly will lead to no solution and will serve only to intensify existing friction and thereby prejudice Western unity. This Government has concluded, therefore, that its major objective, i.e., to lessen inter-Allied tension, can best be furthered if it abstains from voting on inscription of the question on the agenda. It is believed that a negative vote by the United States would not, in any case, keep the item off of the agenda and that by abstaining this Government will retain greater freedom to exert a moderating influence on other delegations.

"If the item is placed on the agenda the United States Government intends to do all that it can to discourage its development. It will seek to avoid any debate on the application of the principle of self-determination and it will actively oppose passage of any resolution. It will, moreover, urge moderation by all parties in any discussion of the question with a view to facilitating eventual *rapprochement* between the interested Governments.

"I am sure you will appreciate that the above position is based on this Government's firm conviction that it is the best means of endeavoring to dispose of the issue in a manner which will do the least harm to the unity of the Western world."

Accept [etc.]

For the Secretary of State:
JOHN D. JERNEGAN

No. 387

747C.00/10-254: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

SECRET LONDON, October 2, 1954—11 p. m.

1690. From Secretary.[2] At luncheon today Eden raised Cyprus. He said suggestion had been made that Greeks, Turks and British might sit down together. Eden said that was impossible. They could not sit down with Greeks. Upon questioning, the British had no clear plan of campaign for handling matter in General Assembly, although Eden expressed pleasure at quality, if not quantity, of

[1]Repeated for information to New York.

[2]Dulles was in London, Sept. 26–Oct. 3, for the Nine-Power and Four-Power Conferences, Sept. 28–Oct. 3. For documentation, see vol. v, Part 2, pp. 1294 ff.

vote on inscription in plenary.[3] He welcomed my suggestion that we would try to keep Cyprus at the end of the list so that perhaps it might be forgotten in the desire to get home by Christmas.

ALDRICH

[3]For the results of votes by the U.N. General Assembly on inscription of Cyprus on the General Assembly's agenda, Sept. 24, see Document 410.

No. 388

USUN files, Cyprus—1950–August 1955

Memorandum of Telephone Conversation, by the United States Representative at the United Nations (Lodge)[1]

CONFIDENTIAL [NEW YORK,] October 8, 1954.

Subject: Cyprus cable[2]

Participants: Secretary Dulles
Ambassador Lodge

Secretary Dulles said that the cable on Cyprus had been sent with "no high level clearance."

I said that it was the only really categorical instructions which I had received since being at the United Nations and that it would have been altogether natural for me to have carried out the instructions without question. I did not do so because they seemed to

[1]The typed notation:"For the Files" and "Not for Reports" appears in the heading of the source text. A memorandum, prepared in the Department of State, of a telephone call by Lodge in New York to Dulles in Washington earlier on the same day reads as follows:

"L. said he received instructions to deliver personally a note to the Greeks. He questions the prudence of telling them this far before elections we are going to oppose any resolution. The Sec. said he knew nothing about it. L. said the item is at the bottom of the list and they won't get to it until the end of November. The Sec. reversed the instructions. L. said the instructions were going to Athens." (Eisenhower Library, Dulles papers, Telephone memoranda, General, Aug.–Oct. 1954)

[2]Reference is to telegram 186 to New York, Oct. 7, which instructed Lodge to deliver a *note verbale* to the Greek Delegation. The last paragraph of the *note verbale* reads:

"The US, whose record of friendship for Greece entitles it speak frankly on matters common concern, urges Greek Government endeavor keep any discussion of Cyprus question as brief and temperate as possible. US is opposed to having Assembly adopt any resolution on this subject and furthermore would feel obliged to advise others to take similar stand if resolution is proposed. In our considered judgment any attempt press matters into lengthy discussions or toward consideration of any resolution can only work harm to structure of inter-Allied cooperation without making any constructive contribution toward easing of present tensions arising from this problem."

Also sent as telegram 837 to Athens, Oct. 7, which instructed the Embassy to deliver the same *note verbale* to the Greek Foreign Ministry. (747C.00/10–754)

me so highly unwise. I said there was something wrong with the system and that whoever sent that cable should be talked to.[3]

We then discussed the Cyprus question and he said he wanted me to try to prevent the matter from ever coming to a head so that we would not have to take a public position on it, that if it did come to a head we would then consult and see what to do in the light of the circumstances that then existed.

I expressed my belief that we should do everything we could behind the scenes and procedurally to prevent the issue from coming to a head, but that if it did we should not go on record against the Greeks, both because of the importance of the colonial issue in the world and because of our own public opinion.

He said he wasn't prepared to agree that we should vote with the Greeks.

I said I was not asking that we should vote with the Greeks, but only that we should not vote against them.

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[3]A memorandum for the files by Cook, Oct. 18, reads:

"On October 8 word was received in USUN that Rod O'Connor had instructed the Greek Desk to cable the Embassy in Greece to hold up delivery of the note which Ambassador Lodge discussed with the Secretary. Mr. O'Connor also said that confirmation to the effect the note had not been delivered would not be received before Saturday, October 9.

"The Secretary requested the papers with respect to the note be sent to his desk immediately.

"Mr. O'Connor requested Ambassador Lodge to hold delivery of the note here pending further word from the Secretary." (USUN files, Cyprus—1950-August 1955)

Telegram 844 to Athens, Oct. 8, instructed the Embassy not to deliver the note. (747C.00/10-854) Telegram 793 from Athens, Oct. 8, stated that the note had not been delivered. (747C.00/10-854)

No. 389

USUN files, Cyprus—1950-August 1955

Memorandum of Conversation, by the Assistant Secretary of State for European Affairs (Merchant)[1]

CONFIDENTIAL PARIS, October 23, 1954.

Subject: Cyprus

Participants: The Secretary
Marshal Papagos

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[1]Enclosure to a memorandum by Key to Lodge, Oct. 29, regarding a draft letter from Dulles to Papagos. For text of Dulles' letter to Papagos, Nov. 16, see Document 396.

Marshal Papagos told the Secretary[2] privately at Ambassador Hughes' luncheon on October 23 that he hoped that at the General Assembly, with respect to the Cyprus matter, the U.S. could either in effect be strictly neutral or else seek to postpone the entire matter for this year.[3]

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[2]Dulles was in Paris, Oct. 20–23, for the Nine-Power, Four-Power, and North Atlantic Council Ministerial meetings; for documentation, see vol. v, Part 2, pp. 1404 ff.

[3]Telegram Topol 511 to Paris, Oct. 27, for Hughes from Merchant, reads:

"Reference your letter Oct 25 Secretary did have brief word Papagos at luncheon Saturday and made clear our distaste projected discussion Cyprus in General Assembly. Papagos asked that when matter came up US either maintain strict neutrality or seek postpone discussion this year. Secretary made no commitment." (747C.00/10-2753)

No. 390

747C.00/10-2654

Memorandum of Conversation, by the Officer in Charge of Greek Affairs (Wood)

SECRET [WASHINGTON,] October 26, 1954.

Subject: Cyprus in the UN

Participants: Mr. Athanase G. Politis, Greek Ambassador
The Secretary
Mr. C. B. Wood, GTI

The Greek Ambassador called today at his own request to ask the Secretary to deliver a sealed personal message from Prime Minister Papagos to the President.[1]

The Secretary spoke of having talked with the Prime Minister at lunch in Paris on October 23[2] and said that the Prime Minister had handed him a note at that time which he had since studied.[3]

The Ambassador said the Prime Minister had been perturbed by certain indications, notably a remark by Ambassador Cannon to

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[1]Dated Oct. 23; in it Papagos warned of an extremely unfavorable reaction by the Greek people, if U.S. policy on the Cyprus question continued along present lines. [illegible] asserted that it was possible to maintain the defense interest of the Western Alliance in Cyprus with recognition of the Cypriots' right of self-determination. (Enclosure to memorandum by Key to Lodge, Oct. 29; USUN files, Cyprus—1950–August 1955)

[2]For a memorandum of that conversation, see *supra*.

[3]This eight-page memorandum with covering note signed by Papagos at Paris, Oct. 23, claimed that the United States, rather than being neutral as promised, on the Cyprus question at the United Nations, was assisting the United Kingdom there. It emphasized that serious repercussions would ensue in Greece if the United States continued its present policy. (747C.00/10-2354)

Acting Prime Minister Kanellopoulos,[4] to the effect that the United States would not maintain its neutrality on the Cyprus question in the UN. His Government hoped that the American delegation would not only remain neutral in voting, but would also avoid influencing other delegations.

The Secretary replied that the British had also criticized us, which was perhaps a pretty good indication of our neutrality. He emphasized in closing that he intended to study the entire matter.

[4]No record of that conversation has been found in Department of State files. Papagos' memorandum, cited in footnote 3 above, stated that Cannon told Kanellopoulos on Oct. 15 that the United States would oppose any substantive recommendation by Committee I of the General Assembly on the Cyprus question. Turkey had also been so informed.

No. 391

747C.00/11-254

Memorandum by the Secretary of State to the President[1]

SECRET [WASHINGTON,] November 2, 1954.

Subject: Letter Addressed to You by Prime Minister Papagos on Cyprus[2]

There is attached a letter addressed to you by Prime Minister Papagos expressing concern that the attitude of the United States on the question of Cyprus in the UN is becoming increasingly opposed to the Greek position. The Prime Minister says that if this trend continues the sympathies of the Greek people will be estranged from the United States.

I have received a similar letter from the Prime Minister.[3]

Recommendation:

That you avoid being personally involved in this controversy. If you agree I will answer both letters along the following lines:[4]

We continue to believe, as we have previously informed the Greek Government, that the raising of the Cyprus question in the UN is harmful to Western unity. Although we abstained on the vote to place the item on the agenda, we have never committed

[1]Drafted by Wood and Baxter.

[2]Dated Oct. 23; see footnote 1, *supra*.

[3]Dated Oct. 23; see footnote 3, *supra*.

[4]The draft reply by Dulles to Papagos was not sent. (Text attached to memorandum by O'Connor to Byroade, Nov. 2; 747C.00/11-254.) A memorandum by Phyllis D. Bernau (S) of a telephone call by Eisenhower to Dulles, Nov. 3, noted that Eisenhower "thought the draft was cold and abrupt." Dulles "said he would go over it more carefully." (Eisenhower Library, Dulles papers, Telephone Conversations)

ourselves to remaining neutral during subsequent UN action. For reasons stated, the United States will feel obliged to oppose the passage of any resolution on the Cyprus question in the General Assembly.

We feel that the proper place for negotiations about Cyprus is on the Island and not in the UN; therefore, we hope the Greek Government will seek to influence the non-communist Cypriot leaders to start serious negotiations with the British looking toward self-government. We also plan to encourage the British to negotiate with the Cypriots.

JOHN FOSTER DULLES

No. 392

740.00/11-954: Telegram

The Secretary of State to the Embassy in Greece[1]

SECRET WASHINGTON, November 5, 1954—7:45 p. m.

1073. Key today discussed Cyprus in UNGA with Scott UK Embassy Stated we recognized our commitment to UK to oppose any resolution[2] but were concerned that despite our joint efforts mild resolution such as one calling on UK to carry on discussions with Cypriots looking toward self-government would receive two-thirds majority. We therefore sought UK reaction to arrangement for moderate statement by Greeks and we would hope by British, to be followed by passage of simple postponement resolution preferably *sine die*. Alternatively we might seek conclude moderate Cyprus debate without passage any resolution though this extremely difficult in view general UN practice concluding discussion each item by some sort resolution. If British-Cypriot talks made progress before next GA session matter might not then be placed on its agend[illegible].

Key stated if British agreed we would explore possibility such an arrangement.

Scott said proposition would be put Foreign Office but doubted would be accepted. Stressed depth UK feeling this subject comparing it with US attitude on Guatemala. Said UK wanted item taken up and killed, so matter would be disposed of in GA once and for

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[1]Drafted by Popper and cleared by Key and Baxter. Also sent to London and USUN.

[2]That commitment was made in Document 385.

all. Contrary to indication London's 2132[3] repeated Athens 40, stated UK would not sit in Political Committee during consideration item. Laid great weight on effect active US lobbying on item through Key cautioned re overestimating our power combat emotional anti-colonial sentiment in Assembly even among Latins.

DULLES

[3]Telegram 2132, Oct. 29, stated that the United Kingdom had indicated it would vote but not participate in the debate on Cyprus at the United Nations. (747C.00/10-2954)

No. 393

747C.00/11-954: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

SECRET ATHENS, November 9, 1954—3 p. m.

1014. Pass USUN. Last paragraph Department's telegram 1073, November 5[2] in sharp contrast Foreign Office version of assurances Secretary Dulles reported to have given Prime Minister Papagos in Paris.[3] According Foreign Office Prime Minister has definite impression Secretary Dulles stated US would maintain neutral position Cyprus issue, and specifically that US would not endeavor influence other countries.

Prime Minister also has further impression he received assurance from Secretary that if any member US Government has been lobbying other UN delegations against Greece on Cyprus issue it has been without approval Secretary State, that Secretary promised look into this matter immediately upon return Washington and to terminate such activities if they are continuing and further that Secretary expressed intention communicate with Prime Minister on this particular question.

Embassy also informed that this is only point on which Prime Minister expects hear from Secretary in response Marshal's memorandum.[4]

CANNON

[1]Repeated to London and USUN.

[2]*Supra*.

[3]See Document 389.

[4]Reference presumably is to the memorandum by Papagos to Dulles, Oct. 23; see footnote 3, Document 390.

No. 394

747C.00/11-1654

Memorandum of Conversation, by Philip A. Mangano of the Office of United Nations Political and Security Affairs[1]

SECRET [WASHINGTON,] November 12, 1954.

Subject: Current Aspects of the Cyprus Problem

Participants: The Secretary
Mr. Byroade, NEA
Mr. Key, IO
Mr. Elbrick, EUR
Mr. Baxter, GTI
Mr. Mangano, UNP

The meeting was held in the Secretary's office on Friday morning, November 12.

Mr. Key began by explaining the nature of the soundings he had made with Sir Robert Scott of the UK Embassy on November 5 of British Foreign Office reactions to alternative possibilities of postponing or cutting off Assembly discussion of the Cyprus problem in order to avoid the risk that a mild resolution might be put forward and obtain two-thirds support. (See Deptel 1073, November 5 to Athens, repeated to London 2554 and USUN 245.)[2] In view of the Secretary's stated desire that the Department explore ways and means of postponing or avoiding discussion of this problem at the General Assembly, it had been felt necessary to consult first of all with the British, bearing in mind the commitment made to them last September in the Secretary's letter to Sir Winston Churchill,[3] that we would "actively oppose the passage of any resolution . . .".[4]

Mr. Key added that the immediate, personal reaction of Sir Robert Scott had not been promising, but we had not yet received the considered Foreign Office reaction. In the meantime it was felt essential that the Secretary reply to recent messages from Marshal Papagos making it clear that a) we had never undertaken to remain "neutral" on the substance of the Cyprus issue, b) we would feel obliged to oppose adoption of a resolution because of the resultant dangers to Western solidarity.

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[1]Drafted Nov. 16.
[2]Document 392.
[3]Document 385.
[4]Ellipsis in the source text.

Mr. Byroade produced a revised draft letter to Marshal Papagos[5] which the Secretary might hand personally to the retiring Greek Ambassador. Ambassador Politis is being replaced apparently because of failure to obtain some degree of US backing for the Greek position on Cyprus. Mr. Byroade noted that, responsive to the President's comment,[6] the revised draft letter to Papagos had been made less cool and abrupt. It now included a sentence alluding in general terms to our willingness to explore possible ways and means of reducing tensions aroused by this problem. In this way the message could reflect the Secretary's awareness of Papagos' mention of "postponement" during their conversation in Paris,[7] without committing us at this time to work for such a procedure. Mr. Byroade urged upon the Secretary the importance, in terms of our relations with Greece, of clarifying our position to them at the earliest possible moment.

The Secretary, after refreshing his memory on the background leading up to his message of September 21 to Churchill, said that his own position had always been that, in assuring the British that we would oppose "any resolution", he obviously meant any "substantive" resolution, i.e., any resolution smacking of action or interference in the affairs of Cyprus. He pointed out that we had also assured the British that we would "do all possible to keep any discussion to the absolute minimum". The British could not logically expect us to oppose a resolution which would result in what we both wanted, namely the adjourning or cutting off of discussion at the current GA session.

Mr. Key and Mr. Elbrick expressed concern that, in view of the rather categorical language used in the commitment to the British, the latter might nevertheless insist on holding us to a literal interpretation of the assurance offered. Mr. Key added that the UK Embassy felt that London wanted the whole issue knocked down once and for all this year. He felt that, unless the British reacted favorably to the soundings he had made on procedure, it would be necessary, perhaps for the Secretary himself, to explain his position to the British Ambassador so that there would be no misunderstanding on that score. The Secretary agreed that his position should be explained clearly to the British in the near future, unless the Foreign Office showed willingness to consider our suggestions for avoiding full-scale discussion of the problem this year.

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[5]Not found in Department of State files. For text of Dulles' letter to Papagos, Nov. 16, see Document 396.

[6]Regarding Eisenhower's comment, see footnote 4, Document 391.

[7]See Document 389.

Mr. Elbrick observed that a "postponement" formula would be difficult for the British because it seemed to imply that the matter could properly come before the Assembly next year. The Secretary said that, while the term "postponement" was not a good one, what we were after was a way to "adjourn discussion", or have the Assembly decide not to consider the matter further at this time. If this could be accomplished, we would have to let next year's Assembly worry about what to do with items submitted to it at that time.

The Secretary then reviewed the proposed letter to Papagos and made a few changes, inserting the word "substantive" at several points when reference was made to our opposition to an Assembly "resolution". He then agreed that the letter be prepared for his signature, so that he might give it to the retiring Greek Ambassador at the earliest practicable moment. The Secretary also noted that, while the British, in seeking our help, argued that they felt as strongly on Cyprus as we did on the Guatemalan problem, they had in fact given us no help on the latter problem and had abstained in the SC vote at the June 25 meeting.[8]

[8]For documentation on the question of dealing with the Guatemalan complaint at the United Nations or in the Organization of American States, see vol. IV, pp. 1027 ff.

No. 395

Eisenhower Library, Eisenhower papers, Whitman file, "Dulles-Herter Series"

Memorandum by the Secretary of State to the President[1]

WASHINGTON, November 16, 1954.

Subject: Cyprus

We are exploring with the British possible methods of avoiding formal United Nations action on the Cyprus question, such as adjournment *sine die* or some way of ending discussions on the issue without a resolution on the merits of the case. However, in view of our intention to oppose any substantive resolution on Cyprus, and in order to avoid any further misunderstanding by the Greeks, I felt we should not delay longer in making our position clear to Prime Minister Papagos. There is attached the text to my letter to Papagos,[2] which also acknowledges his communication to you of

[1]Drafted by Baxter on Nov. 12. A note on the source text reads: "The President's approval phoned to Phyllis Bernau, 11/18/54."

[2]Dated Nov. 16, *infra*.

October 23.[3] It has been redrafted to take into consideration your belief that an earlier version[4] was too cold and abrupt. It also indicates our willingness to explore ways, other than by formal United Nations action, of reducing tensions created by this question.

JOHN FOSTER DULLES

[3]See footnote 1, Document 390.
[4]See footnote 4, Document 391.

No. 396

747C.00/11-1654

The Secretary of State to Prime Minister Papagos[1]

SECRET [WASHINGTON], November 16, 1954.

DEAR MR. PRIME MINISTER: The President has asked me to reply to your letter of October 23 concerning Cyprus.[2] He has told me of his deep concern in this matter and of his hope that it will be possible to avoid an open aggravation of the relations between our Greek and British friends. This letter is also an answer to the one you gave me during our conversation in Paris on October 23.[3]

I sincerely regret that there has been a misunderstanding of our position in the General Assembly on this question. We refrained from opposing the inscription of the item on the agenda because of our friendship for Greece and because of our traditional support of the principle of freedom of discussion in the General Assembly. However, we are convinced that at this time a discussion of the matter in the General Assembly or the adoption of any substantive[4] resolution would harm the good relations between certain of our friends and allies. This to us is the most important consideration in the entire question. Thus while we have not opposed the desire of the Greek Government to bring the Cyprus question to the attention of the General Assembly, we would be compelled to oppose the passage of any substantive[4] resolution. However, we will be glad to explore otherwise methods of reducing the tensions which are being created by this question.

The climate for endeavoring to find such methods appears to be improving. Responsible opinion in the United Kingdom now seems

[1]This letter, drafted by Wood and Baxter and cleared by Barbour, was handed to Politis, Nov. 16, for transmittal to Papagos; see the memorandum of conversation, *infra*.
[2]See footnote 1, Document 390.
[3]See footnote 3, *ibid.*
[4]The word "substantive" was added to the draft text by Dulles; see Document 394.

ready to take steps toward eventual self-government for the people of Cyprus, provided there is cooperation from the Cypriots. In Greece, I believe, there is an increased realization that the problem cannot be solved quickly, but will take time and patience. My own feeling is that lasting progress can be made only by gradual steps which will not upset allied unity and that such steps can be taken only when the British and the Cypriots are willing to meet in good faith and discuss the political problems of the island.

In seeking the best method to approach the problem, I therefore suggest that our common objective should be to encourage constructive negotiations in Cyprus. The Cypriots and the British authorities are the parties most directly concerned, and I strongly urge that your Government use its friendly influence with non-communist Cypriot leaders to encourage them to undertake serious discussions with the British authorities. We shall similarly use our own influence to encourage the British Government actively to seek such negotiations. In the future, our own feelings on the subject will be influenced by the degree of willingness with which the British authorities and the leaders of Cyprus seek to work out their common problems.

I wish to assure you that United States officials are not engaging in any lobbying activities on the Cyprus issue either in New York or Washington or other capitals.

In conclusion I would like to tell Your Excellency that the President and I sincerely admire the qualities of leadership and dedication which you have shown in serving your country and in furthering our united endeavor to give strength and stability to the free world.

Sincerely yours,

JOHN FOSTER DULLES

No. 397

747C.00/11-1654

Memorandum of Conversation, by the Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter)[1]

SECRET [WASHINGTON,] November 16, 1954.

Subject: Cyprus

Participants: Athanase Politis, Ambassador of Greece
The Secretary
William O. Baxter, GTI

[1] A handwritten notation by O'Connor on the source text notes that Dulles approved it Nov. 17.

The Secretary asked the Greek Ambassador to call today to receive, for transmittal to Prime Minister Papagos, a reply[2] to the latter's communications of October 23 addressed to the President and the Secretary.[3]

After reading the letter, the Ambassador asked whether the United States Government intended to make public at this time any of the views which it contained. He was told that it was considered a secret communication to the Prime Minister.

In reply to a query as to whether we would make a public statement at a later date, it was pointed out that, when the Cyprus item is taken up in committee, we will doubtless make clear to other interested and friendly delegations our opposition to any substantive resolution. The advance knowledge of this may be useful to the Greek Government in making a decision as to whether it should introduce a resolution at the time it presents its case in committee.

The Ambassador also asked whether he could assure his Prime Minister that United States officials had not in the past done any lobbying on the Cyprus question. The Prime Minister was particularly interested because of his belief that the United States had indicated it would maintain "complete neutrality" on this issue. The Secretary said that to the best of his knowledge there had been no activities of that sort. However, in discussions with representatives of other delegations we made no secret of the fact that we considered the Greek request for the inclusion of this item on the General Assembly agenda as both ill-timed and ill-advised.

The Secretary referred to the Prime Minister's suggestion, made during their recent conversation in Paris,[4] that discussion on this question might be postponed for this year without prejudice. He indicated that we were exploring this possibility but had not yet reached any decision as to whether such a course would be feasible. The Ambassador asked if Greece might expect the support of the United States if a motion for postponement were made. The Secretary indicated that we might be able to support such a solution.

The Ambassador stated his belief that public opinion on this question is running so high in Greece that it will be very difficult for the Greek Government to agree to a motion for postponement. The Secretary said that he could not understand what advantage the Greek Government hoped to achieve in pushing this issue that would in any way balance the tremendous harm it is doing to Greek relations with Great Britain and Turkey.

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[2]Reference is to the letter by Dulles to Papagos, Nov. 16, *supra*.
[3]See footnotes 1 and 3, Document 390.
[4]See Document 389.

No. 398

747C.00/11-1754 Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

SECRET NIACT ATHENS, November 17, 1954—6 p. m.

1079. Reference Deptel 1158, November 16.[2] Foreign Minister just sent me message[3] Greek Government greatly distressed by effect of letter to Papagos if text or even substance becomes public knowledge. What he has in mind is that in view series of current shocks to Greek Rally position such as continuing Parliamentary defections to Markezinis faction, quarrels over German contracts, complications in US aid procedures and probable gains anti-Rally elements in next Sunday's municipal elections, this is indeed most awkward moment for set-back on Cyprus issue.

He asks that Cyprus issue letter be held in strict secrecy at least until after elections. He says Papagos fears that divulging this matter even to third government on confidential basis might well tip balance against Rally candidates in such critical areas as Athens, Salonika and Piraeus.

Please advise whether we can give Greeks any assurances on security aspect this matter.[4]

CANNON

[1]Repeated for information to London.

[2]Telegram 1158 summarized Document 396. (747C.00/11-1654)

[3]Not found in Department of State files.

[4]Telegram 1173 to Athens, Nov. 17, authorized the Embassy to give such assurances, which were then conveyed orally by Schnee to John Sossides, Secretary to Stephanopoulos, Nov. 19. (747C.00/11-1754; and handwritten notation on copy of telegram 1173 in Athens Embassy files, lot 60 F 16, "350 Cyprus 1954")

No. 399

747C.00/12-154 Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

CONFIDENTIAL ATHENS, December 1, 1954—2 p. m.

1166. Reference (a) Department telegram 1238 November 24, 1954;[2] (b) Secretary's letter to Prime Minister November 16, 1954;[3]

[1]Repeated to London, Ankara, Nicosia, and USUN in New York.

[2]Telegram 1238 reported on Key's meeting with Beeley, Nov. 22. (747C.00/11-2454)

[3]Document 396.

(c) memorandum of meeting with Secretary November 12, 1954 on current aspects Cyprus problem;[4] (d) Embassy telegram 928 October 27, 1954.[5]

Foreign Minister has handed me tentative draft resolution Cyprus question as variant of Kyrou text already known to Department.[6] Full text in next following telegram.[7]

He says Greece would be deeply grateful for US ideas and guidance in developing final text compatible with criteria set forth in Secretary's letter (reference (b)) and most anxious make every effort, short of withdrawing resolution, to resolve UN problem in manner consistent US policy of avoiding divisive confrontation with British. He added notwithstanding Papagos' remark to Secretary,[8] Greece's position now is against postponing issue.

While this draft apparently inadequate and I left Foreign Minister in no doubt our unwillingness have hand in drafting resolution for situation we have tried so hard to avert, I believe we might persuade Greeks accept solution meeting our objectives if term "substantive resolution"[9] interpreted along lines set forth by Secretary in reference (c) which correspond Greek interpretation and Embassy understanding US policy and objectives. In such case, suggestions set forth reference (d) still appear useful. Now is time when US can exert its influence with reasonable expectancy of achieving equitable solution. This might, for example, be in form resolution proposed by some third delegation commending Greeks and British for interest in welfare Cypriots, noting official statements indicating intention British Government offer constitutional reforms expanding area self-government and concluding with expression confidence that in ensuing months British and Cypriots supported by Greeks will cooperate in seeking orderly evolution of situation. As seen from here, developments subsequent to our earlier recommendations make more attractive alternative proposal of disposing of issue without formal resolution but after controlled debate. Could not way be found to overcome procedural difficulties?

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[4]Document 394.

[5]Telegram 928 recommended that the United States seek British and Greek agreement to a formula whereby Greece would state its case for Cypriot self-determination, without proposing a resolution by the U.N. General Assembly. The British would restate their intention to continue talks with Cypriot representatives on adoption of a constitution expanding the area of self-government. (747C.00/10-2754)

[6]Telegrams Delga 255 and 311 from New York, Nov. 18 and 30, quoted similar Greek draft resolutions. (747C.00/11-1854 and 747C.00/11-3054)

[7]Telegram 1167 from New York, Dec. 1, not printed. (747C.00/12-154)

[8]Regarding Papagos' remark to Dulles, see Document 389.

[9]A handwritten notation on the source text defines "substantive resolution" as "any resolution smacking of action or intervention in the affairs of Cyprus."

I have not discussed these alternatives with Greek leaders and believe some persuasion would be required, but have reason to think they would at this time accept something fairly close. Greek Government badly shaken by recent phase Markezinis affair,[10] setbacks in municipal elections, and ferment in opposition groups now moving toward Popular Front concept to bring Rally down. Moreover, public morale at lowest point since Rally came to power. If Papagos government further weakened outlook for US policy objectives definitely disquieting. Leaders are showing anxiety and are badly in need positive and specific guidance.

Foreign Minister says if it will help in downgrading importance of issue he would be willing not to participate in person but leave matter in hands regular delegation even though they would give him bad time with Greek public.

Embassy recommendations obviously based on assumption Secretary's understanding of US obligation to British (reference (c)) will prevail. If on other hand, we accept interpretation set forth reference (a) US objective would not be, as Embassy has hitherto assumed, to soften or avert divisive discussion in international forum. On contrary, it seems to us here that US objective would then become attainment of clear-cut decision without much concern for how much damage is done in process.

With the possible exception of one or two men on British Ambassador's staff, I know of no observers in Athens who would agree that this British solution will dispose of issue. I am convinced that solution based on point 5 of reference (a)[11] would substantially raise emotional content of issue, would tend encourage violence and would create more serious division among allies.

CANNON

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[10]Markezinis resigned from his position as Minister of Coordination in April 1954, reportedly over personal differences with Papagos on the extent of Markezinis' power. In November, Markezinis withdrew from the Rally and three members of the Greek Government resigned, developments prompted by a statement of Papagos on Nov. 10 that Markezinis had made economic commitments in negotiations at Bonn in November 1953, without reporting them to Papagos. Reports on these developments were transmitted by telegram 59 from Salonika, Apr. 4 (781.00/4-454); despatch 994 from Athens, Apr. 20 (781.00/4-2054); and telegram 1028 from Athens, Nov. 12. (781.00/4-1254)

[11]It reads as follows: "UK does not want its friends initiate or support any softening of terms any resolution that may be introduced by Greece." (747C.00/11-2454)

No. 400

747C.00/12-154: Telegram

The Ambassador in Greece (Cannon) to the Department of State

SECRET ATHENS, December 1, 1954—5 p.m.

1168. Papagos has handed me letter for Secretary[1] in response Secretary's letter of November 16[2] on Cyprus question.

Am forwarding today's pouch.

Letter stresses two arguments: First, matter is not British-Cypriot but essentially British-Greek dispute; second, solution confusing self-government with self-determination is "delusion." Otherwise repetition familiar points though on somewhat higher plane and in more moderate language that earlier communications.

Though it appears in direct opposition to thesis presented Embtel 1166 today's date[3] we take it to be essentially formal statement Greek position for record and still believe our recommendations valid.

CANNON

[1]Dated Nov. 30, not printed. (Enclosure to despatch 497 from Athens, Dec. 1; 747C.00/12-154)

[2]Document 396.

[3]*Supra*.

No. 401

747C.00/12-154

Memorandum by the Assistant Secretary of State for International Organization Affairs (Key) to the Secretary of State[1]

SECRET [WASHINGTON,] December 1, 1954.

Subject: Cyprus Problem

Discussion:

1. The British have given us an essentially negative reaction to the idea of curtailing or avoiding discussion of the Cyprus problem through a procedural resolution, thus avoiding a substantive resolution at the General Assembly. They strongly prefer coming to grips with the issue at this session, believing that any Greek resolution, if not "softened" by well-meaning friends, can be defeated.

[1]Also from Byroade and Merchant; drafted by Mangano and Wood, cleared with Murphy, and transmitted through Scott to Dulles. A handwritten notation on the source text notes that Dulles saw it.

They fear any move which would imply that the Assembly would drop the matter temporarily but consider the problem next year.

2. There is danger that, having in mind your message of last September to Churchill (Tab A),[2] the British will expect us actively to oppose *any* resolution, substantive or procedural, which they do not want adopted. You will recall that, in your recent message to Marshal Papagos,[3] you informed him that we would oppose any "substantive" resolution. In that connection Greek representative Kyrou has privately given Ambassador Lodge a draft resolution which, despite his comments to Lodge, clearly appears substantive to us (Tab B).[4]

3. Ambassador Lodge has already told the UK Delegation he did not feel we could be expected to lobby actively in their behalf (Tab C).[5] Apparently he feels, consistent with that view, we can tell others of our position without pressing them to embrace it. This point also may be misunderstood by the British.

4. The British feel that if they offer the Cypriots a liberal constitution, the communists may well take control of any self-government thus created on the island. We agree that there is some danger of this but feel that tighter restrictions by the British on the activities of the communist leaders in Cyprus would reduce that danger. We believe that the British must offer a liberal constitution providing for an assembly with an elected majority if they are to have any chance of obtaining the cooperation of the non-communist Cypriots.

Recommendations:[6]

1. That you call in the British Ambassador and, in order to make our position perfectly clear, inform him that, while we will oppose any resolution of substance, we must remain free to consider a procedural solution on its merits. You might assure the Ambassador that, if a procedural solution seems indicated, we would endeavor to exclude any implication that the problem would be considered at a subsequent session.

2. That you confirm to Sir Roger our inability to lobby actively in support of their position, though we will make our own position plain in response to inquiries from other delegations.

3. That you mention to Sir Roger that we are interested in their plans for improving the political situation on the island. Specifical-

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[2]Document 385.

[3]Document 396.

[4]Not filed with the source text. See Document 399.

[5]Not filed with the source text.

[6]No indication that Dulles acted on those recommendations has been found in Department of State files.

ly we wonder whether they plan to limit the freedom of action of the key communist leaders in order to facilitate British contacts with the non-communist leaders.

No. 402

740C.00/12-854: Telegram

The United States Representative at the United Nations (Lodge) to the Department of State

SECRET PRIORITY NEW YORK, December 8, 1954—7 p. m.

Delga 357. Limit distribution. Re: Cyprus. Dixon (UK) met with me this morning to discuss working our joint position on Cyprus. He said that UK preference remained the defeat of any resolution on the question. I said that my instructions were to oppose any substantive resolution and that we would tell people this was the case. We were not able, however, to put pressure on others to defeat a substantive resolution.

Dixon said that there was a very fine balance in voting situation as they now see it. While the announcement of US opposition to a substantive resolution might be enough to bring around some uncertain votes, it remained risky. Voting situation changed from day to day. For example, Pakistanis had now informed UK that they would vote against any Greek resolution and this the UK felt would bring about some change in Arab voting pattern to advantage of UK. On other hand, balance of LA vote was presently running against UK. I said that I could understand LA's support for UK being more doubtful if the question were one of substance, but this might not be the case if a procedural motion not to discuss the Greek item were put forward. I said that I would ask Washington to authorize me to do some button-holing on a resolution not to discuss; I felt that if that were the UK preference we could be of substantial help.

Dixon said that in view of the fine balance in voting on a substantive resolution and in view of their wish to make this morning's meeting decisive, he believed he could proceed to work out with US a procedural motion not to discuss and so advise London. He raised the question of whether US could present such a motion at the outset of debate. Since UK was under most stringent instructions not to participate in substantive debate it was important that the procedural motion should be made at outset so that they could be present and participate on that basis.

Crosthwaite[1] suggested US might make the motion by pointing out that we were not taking a position on the merits but taking such action to avoid a divisive issue between Allies. I said that I would raise with the Department whether we could make the motion, but wondered if it would not be better if such a country as Denmark or Pakistan did so and we then went to work in support.

Dixon felt that the planning for a motion not to discuss should be like a military plan, i.e., it should not get to the Greeks that we had this in mind and hence, the work in support of it would have to begin after the motion was made. He asked if in the interim period the UK could say that US "opposes the Greek proposal". I agreed that they could do this.

Dixon also wished to give further thought to whether a procedural motion should say "decides not to 'discuss' or not to 'consider' ". The use of "not to consider" might appear more like a reversal of the GA decision to inscribe the item and therefore require a two-thirds majority. On the other hand, "not to consider" from the UK standpoint might be better as more far-reaching in substance. I pointed out that the use of "not to discuss" might gather more votes for the very reason that it did not go quite as far as "not to consider" and suggested that the main objective should be to get a very substantial vote. Dixon agreed this was the case.

I would appreciate Department's views on "discuss" vs "consider" as well as Department's views on whether US could make the motion. I recommend we do not make it.

I believe I should be authorized to do some lobbying in favor of a resolution not to consider or not to discuss the Cyprus question. This is because it is very much to our advantage not to have the substantive question itself come to a vote. I believe we could justify my doing this by saying that it was in the interests of all three powers concerned to compose this question and not to let them get into intransigent positions. My plan would be to do some button-holing among our friends here after the motion has been made and to do it on an apparently informal and casual basis.

LODGE

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[1]P. M. Crosthwaite, British Deputy Permanent Representative to the United Nations.

No. 403

767C.00/12-854: Telegram

The Secretary of State to the United States Mission at the United Nations[1]

SECRET PRIORITY WASHINGTON, December 9, 1954—6 p. m.

Gadel 147. Appreciate success your efforts with British (Delga 357).[2] Hope UK Del will be present vote on procedural motion, and we should seek agreement on such motion by negotiation with other delegations, subject to UK concurrence. Agree preferable US should not take motion and suggest Scandinavian NATO member preferable to Pakistan because Commonwealth member.

Motion not to "discuss" preferable as less painful to Greeks, likely to obtain more votes while still contributing to UK objective, and not directly contradictory to GA inscription. You should try ward off any amendments which would expressly or impliedly indicate matter may again be considered by UN Gadel 137.[3]

We should justify our position during lobbying by indicating our belief public debate would only lead three parties concerned to take intransigent positions making eventual solution more difficult. Also, in event procedural motion introduced so late that there is little time for subsequent lobbying, probably desirable we make statement shortly after motion introduced supporting motion on basis best chance lessening Cyprus tension is by direct negotiations between British and Cypriots. Our statement should be phrased to reduce Soviet opportunities to berate us for being against self-determination.

DULLES

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[1]Drafted by Tyler and cleared with Wood, Allen, Raynor, and Popper. Repeated to London, Athens, Ankara, and Nicosia.

[2]*Supra*.

[3]Gadel 137 to New York, Dec. 6, stated that the U.S. main objective with regard to the Cyprus item in the U.N. General Assembly was to avoid a clash between Allies, which consideration of a substantive resolution would entail. The Department of State preferred an alternative, mentioned by Dixon to James J. Wadsworth, U.S. Deputy Representative to the United Nations, in New York on Dec. 4, that a motion be made at the beginning of debate not to discuss the Cyprus item. (320/12-454)

No. 404

Athens Embassy files, lot 60 F 16, "350 Cyprus 1954"

The Ambassador in Greece (Cannon) to Prime Minister Papagos[1]

SECRET ATHENS, December 12, 1954.

DEAR MR. PRIME MINISTER: I have just received a telegram from the Secretary of State[2] urgently requesting me to deliver the following message from him to you.

"You will recall that in my letter of November 16[3] I stated that, while the United States would have to oppose in the General Assembly a substantive resolution on Cyprus, we would explore otherwise methods of reducing tensions created by this question.

"Reports from our Delegation in New York[4] are that a resolution of the type suggested by your Government[5] could not obtain the necessary majority. We would ourselves have to vote against such a resolution because we do not believe that United Nations interposition is useful at this time.

"It seems to me, therefore, that the best outcome from the standpoint of Western unity as well as Greek prestige would be to support a resolution by this Assembly not to discuss the Cyprus question. Of course, future Assemblies would be unbound.

"I am making this suggestion in the light of your remarks to me in Paris last October 23[6] which I interpreted as meaning that you would prefer this result if the United States could not be strictly neutral.

"This step would lessen the chances of a debate which could only hurt the relations between our Greek and British friends. Furthermore, it appears that a decision by the General Assembly not to discuss the question would be less unfortunate from the standpoint of Greek public opinion than the failure of a Greek resolution to obtain the necessary majority.

"You may be sure that we will do all we can to conclude the discussion as amicably as possible. With assurance of my high regard and best wishes."[7]

Sincerely yours,

CAVENDISH W. CANNON

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[1]This message was delivered on Dec. 12.

[2]Telegram 1401 to Athens, Dec. 11. (747C.00/12-1154) A memorandum by Murphy to Dulles, Dec. 11, to which the draft telegram was attached, stated that this was done in accordance with Dulles' telephone conversation with Lodge that morning. (747C.00/12-1154)

[3]Document 396.

[4]The reports from New York have not been further identified.

[5]Reference presumably is to a Greek draft resolution handed to an official of the Department of State, Dec. 11, which has not been found in Department of State files. See Document 399.

[6]Regarding those remarks, see Document 389.

[7]No reply by Papagos to this message by Dulles has been found in Department of State files.

No. 405

747C.00/12-1354: Telegram

The Secretary of State to the Embassy in Greece[1]

SECRET
NIACT

WASHINGTON, December 14, 1954—12:37 p. m.

1418. Proposed Greek resolution (your 1263)[2] not consistent with what Secretary had in mind (Deptel 1401).[3] It considered substantive and USDel would oppose.

As you point out in your 1255,[4] Greeks pressing issue because British refusal negotiate with Greece. Department seriously doubts therefore Greek delegate would declare in his speech that Greek objective to have matter discussed between Cypriots and British. "Expanded area of self-government" (urtel 1255) at variance with Greek objective of *enosis*.

Clear from UN practice motion "not to discuss" normally procedural and not substantive. Thus US support for such motion should not be misconstrued by Greeks.

Greek Ambassador last night urged Department help find "a way out"[5] for Greeks. Was told Department could not go beyond solution proposed Secretary's message to Papagos.

DULLES

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[1]Drafted by S. Roger Tyler, Jr. (IO/UNP), and cleared by Wood, Baxter, Allen (EUR), Popper, Key, and with Raynor. Also sent to London and USUN in New York.

[2]Telegram 1263, Dec. 13, transmitted text of a Greek draft resolution on Cyprus, approved by Papagos for submission at the United Nations. It proposed that the General Assembly invite "the parties (Great Britain-Greece) to seek a solution in conformity with paragraph 1 of Article 33 of the Charter." (747C.00/12-1354)

[3]Dated Dec. 11, not printed. (747C.00/12-1154) It transmitted to the Embassy in Athens the text of Document 404.

[4]Telegram 1255, Dec. 11, suggested a procedure at the United Nations whereby Greece would state it had wished the Cyprus issue to be resolved by direct negotiations between the Cypriots and the British. Then a delegate introducing the resolution for the General Assembly "not to discuss" Cyprus would point out that British sources had indicated an intention to pursue with Cypriots the question of an expanded area of self-government. (747C.00/12-1154)

[5]A memorandum of the conversation with Melas, Dec. 13, is in file 747C.00/12-1354.

No. 406

747C.00/12-1554: Telegram

The Secretary of State to the Department of State[1]

SECRET PARIS, December 15, 1954—10 p.m.

Secto 2. Greek Foreign Minister Stephanopoulos has just seen me in condition of great excitement. He would normally preside at NATO council but says Papagos has instructed him to proceed at once to New York to take charge of Cyprus matter for Greece. He hopes get some delay. He pleads with us at least in course of debate to give some indication that the New Zealand resolution[2] does not bury this matter for all time. I explained to him that it was perfectly clear from a legal standpoint that it did not bind a future Assembly and indeed that it did not bind this Assembly under the precedent set in the China case last year when Pearson ruled that a resolution could be considered even though it was totally inconsistent with a resolution previously adopted.[3] Stephanopoulos pleads with us at least to accept some alteration of the New Zealand resolution which would indicate that it applied only "to this session" or failing that to make some comparable statement in the course of debate. I doubt that we can do this without seeming to invite Greek action next year. However, I do feel that if there should be a discussion limited to the legal significance of the resolution and it was appropriate for us to express an opinion that aspect alone, we could indicate that as a juridical matter we did not feel that the agenda of a future Assembly can be limited by a prior Assembly. This should, however, be purely a legal statement and probably accompanied by a disclaimer of any desire to see this particular matter brought next year before the Assembly.

DULLES

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[1]Repeated to Athens and passed to USUN. Dulles was in Paris, Dec. 15–19, for preliminary talks and the Ministerial meeting of the North Atlantic Council, Dec. 17–18; for documentation, see vol. v, Part 1, pp. 549 ff.

[2]New Zealand's draft resolution "not to consider further" the Cyprus question was distributed as U.N. Doc. A/C.1/L.125. For the voting on it, see Document 410.

[3]The ruling of Sept. 15, 1953, by Lester B. Pearson, Temporary President of the U.N. General Assembly, is printed in U.N. Doc. A/PV.432, paragraph 115.

No. 407

747C.00/12-1654

Memorandum by the First Secretary of Embassy in France (Brewster) to the Assistant Secretary of State for European Affairs (Merchant)[1]

SECRET [PARIS,] 16 December 1954.

I conveyed your message[2] orally to Ambassador Exindaris at the Greek Foreign Minister's apartment in the Hotel Bristol. He passed the word along immediately to the Foreign Minister in the adjoining room.

The Greek NATO Ambassador expressed his gratitude for the statement and immediately raised the principal issue which concerns the Foreign Minister.

Greece has a tremendous public opinion problem on its hands. The Greek public should have some reassuring statement from a U.S. source to permit the quashing of rumors in Athens that the U.S. has been one of the principal "bad boys" on the Resolution regarding Cyprus in the UN.[3] The Greek Foreign Minister also naturally wants to prove he has been active on this issue in Paris, even though he did not go to New York. In the interest of U.S.-Greek relations he feels a brief statement which he might be authorized to use promptly would help the current U.S. position and prestige in Greece, and reduce Leftist demagoguery in Athens.

Whatever language the Secretary would permit, he feels would help greatly in putting out the current Greek "political fire".

Ambassador Exindaris will wish to raise this question with you tomorrow morning at the Council meeting,[4] and hopes you may be able to obtain the Secretary's agreement to authorize Mr. Stephanopoulos to make *some* statement.

I am sure the Greek NATO Delegation is also carefully weighing the possibility of having a Greek correspondent ask the Secretary a question on his views on the Cyprus action in the UN.

As a personal suggestion, possibly language along the following lines would be palatable to the Greek Foreign Minister:

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[1]This memorandum was transmitted through Edwin M. Martin (USRO) and Hughes.

[2]Dated Dec. 16, below.

[3]Regarding the draft U.N. General Assembly resolution on Cyprus, see Document 410.

[4]For documentation on the Ministerial meeting of the North Atlantic Council, Paris, Dec. 17–18, see vol. v, Part 1, pp. 549 ff.

"I called on the U.S. Secretary of State Wednesday[5] for a friendly talk on the Cyprus issue and am now informed that he communicated with Washington and the U.S. Delegation to the UN immediately thereafter. On the basis of reports from New York he believes the resolution on Cyprus as amended meets the points raised by me. He is happy that this resolution, which reflects a spirit of moderation, was carried by such an overwhelming majority in the UN Political Committee."

[Appendix]

The Assistant Secretary of State for European Affairs (Merchant) to the Greek Delegation at the Ministerial Meeting of the North Atlantic Council[6]

[PARIS,] 16 December 1954—2:30 p. m.

Mr. Merchant regrets exceedingly that he will be unable to see Ambassador Exindaris this afternoon but he is involved in continuous meetings with the British and the French both this afternoon and this evening. He has discussed the matter with the Secretary and desired to communicate the following to Ambassador Exindaris:

"Immediately after the Greek Foreign Minister called on the Secretary yesterday the Secretary communicated with Washington and the U.S. Delegation to the U.N.[7] He does not know whether his communication in fact affected the result but the Secretary, on the basis of the reports he now has, thought that the resolution on Cyprus as amended last night meets the main point that the Foreign Minister raised with him. Insofar as the matter of a statement to the Greek people is concerned, the Secretary is dubious of the propriety of his making such a statement but if an occasion offers at a press conference when he can make some helpful comment, he will take that opportunity."[8]

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[5]For a report on this meeting, see Document 406.

[6]This message was conveyed orally by Brewster to Exintaris, Dec. 16.

[7]Reference is to the document cited in footnote 5, above.

[8]For Dulles' statement on Cyprus, issued to the press at Paris, Dec. 18, see Document 411.

No. 408

611.81/12-1654

Memorandum of Conversation, by the Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter)

CONFIDENTIAL [WASHINGTON,] December 16, 1954.

Subject: Call of the Greek Ambassador

Participants: George V. Melas, Greek Ambassador
Herbert Hoover, Jr., Acting Secretary
William O. Baxter, GTI

The new Greek Ambassador, in paying his courtesy call on Under Secretary Hoover today, opened his remarks by saying that it was his earnest intention to do his best to maintain and further the close friendly relationships between Greece and the United States. Although the two countries have the same objectives and policies, he pointed out that his arrival coincided with one question of deep concern to his Government on which the United States had taken a position less favorable to Greece than had been hoped. Mr. Hoover said he thought we were all pleased that a formula had been worked out yesterday in the United Nations which Greece had been able to subscribe to and which had passed unanimously.[1]

Ambassador Melas said that, in this connection, he wished to express the profound regret of his Government, as has already been done to Ambassador Cannon by Prime Minister Papagos, for the irresponsible anti-American demonstration in Athens. Mr. Hoover mentioned press reports of further demonstrations and showed the Ambassador the ticker story of the attack on the USIE library in Salonika during the course of which a portrait of President Eisenhower had been burned. The Ambassador was visibly shaken by this news and entreated Mr. Hoover most earnestly not to believe that such actions are representative of true Greek feeling nor that the Greek Government is in any way involved. Mr. Hoover pointed out that with a free press such as ours these events in Greece would receive wide publicity and would have an unfortunate effect on American public opinion. He hoped the Greek Government would take all necessary steps to prevent further outbreaks of this nature and would also seek to place before the Greek public in their true light the recent developments concerning Cyprus in the United Nations. After all, the Greek Government had officially

[1]For the voting in Committee I of the U.N. General Assembly on the Cyprus question, see Document 410.

agreed to and voted for the same motion which the United States had supported.

Ambassador Melas stated that his Government had accepted the United Nations formula not from choice but because it had no other recourse when it was announced a day or two ago that the United States would oppose the very mild Greek resolution.[2] This news had come as a profound shock to the Greek people, who had always looked to the United States as the leading exponent of the ideals of liberty and independence of peoples. The cause of Cyprus is a deep national conviction on which all Greeks are united and on which they all feel elementary justice is on their side. Of course, the Greek Government had known that the United States looked with disfavor upon its introducing this question in the United Nations, but the intransigent refusal of the British to discuss this matter through normal diplomatic channels and uncompromising public statements in the House of Commons had forced this course of action on the Greek Government. United States abstention at the time of voting on the inscription of the Cyprus item had been a disappointment to the Greek Government but had led it to believe that the United States would remain "neutral" throughout. Indeed the Secretary had "promised" Prime Minister Papagos when they met in Paris in October[3] that the United States would maintain a position of "neutrality." In mid-November the Secretary sent a personal message to Papagos[4] informing him that the United States would oppose a "substantive resolution"; since that time, the Greek Government has bent every effort to working out a resolution "so mild that it could hurt no one." In a meeting with Mr. Jernegan last Saturday[5] the Ambassador had, without instructions from his Government, even further diluted the proposed resolution and had received no indication that the Department considered it substantive. It was not until Monday, in a meeting with Mr. Key,[6] after the United States position had been fully divulged in the press,[7] that he realized the United States would accept only a purely procedural motion without even any slight references to principles enunciated in the Charter and so frequently repeated in other official statements.

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[2]Reference possibly is to Lodge's statement in Committee I of the U.N. General Assembly, Dec. 14; see Document 410.

[3]See Document 389.

[4]Document 396.

[5]Dec. 11; no memorandum of that conversation has been found in Department of State files.

[6]A memorandum of that conversation by Key, Dec. 13, is in file 747C.00/12-1354.

[7]e.g., see the *New York Times*, Dec. 13, 1954.

The Ambassador said that, although the United States had, for reasons of its own, not been able to support Greece at this time, he would urge us, when we considered the timing more appropriate, to use our great influence with the British to bring about a settlement of this question. Even the President, whom he saw when presenting his credentials a week ago, had expressed the belief that some solution to this problem should be worked out "by the two governments."[2]

As the Ambassador rose to leave, Mr. Hoover said he was sorry that the Ambassador's arrival to take over his new duties was clouded by the untoward happenings in Greece. The problem now for both of us, he said, was not to look backward but to work together to find a constructive way of getting things back into perspective so that there will be no lasting harm done to the firm friendship and close cooperation which have so long characterized relations between our two countries.

After the meeting in Mr. Hoover's office, Mr. Baxter took the occasion to state again, as he had in a previous conversation with the Ambassador, the Department's understanding of the meeting in Paris between the Secretary and Marshal Papagos. According to our reports, Papagos referred to the United States abstention when Greece sought to have the Cyprus item inscribed and urged that, if we could not support Greece when the item came up for discussion, we would at least maintain "complete neutrality." Papagos also suggested the remote possibility of postponement of the item. The Secretary gave no commitment but had tried to find some solution along the postponement line. Mr. Baxter also explained that there might be some difference of interpretation as to the term "neutrality." The United States has always said that the Cyprus question was one of primary concern to Greece and the United Kingdom, that the United States interest was only the broader one of concern that this divergence of views between two friends could adversely affect solidarity of the free world. We therefore do not wish to see discussions that would enter into the substance of the question nor did we wish to take a position against either of the two countries at interest. By supporting a motion which avoided any reference to the substance of the question and which was not directed against either Greece or Great Britain, the United States had, it seemed to Mr. Baxter, played a neutral part. We could not interpret the term "neutral" in such a narrow sense as to mean nothing but abstention on a Greek motion seeking application of the principle of self-determination to the people of Cyprus.

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[2]Melas presented his credentials to Eisenhower on Dec. 9; no memorandum of that conversation has been found in Department of State files.

No. 409

781.00/12-1754: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

CONFIDENTIAL
PRIORITY

ATHENS, December 17, 1954—6 p.m.

1308. Reference Deptel 1453.[2] Had long talk with Papagos this morning using very firm language. Ended on theme that even though internal political situation may have obliged government to let people blow off steam time has come to reduce Cyprus question to true perspective and turn to constructive business of our two governments.

Immediately thereafter he issued statement[3] repeating expressions of deep regret and strong condemnation and by reference also to our discussion of subjects "currently under consideration by two friendly and allied countries" prepared way for returning to normal Greek-American collaboration. He said he also would try to devise way induce calmer attitude in press but uncertain how to go about it.

Since public bitterness is general and government itself under attack effect these efforts may be gradual. I therefore think no further protests desirable pending our reappraisal situation next week. Having borne down heavy thus far believe wiser now to try tactic of forbearance.

CANNON

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[1]Repeated for information to Salonika.

[2]Telegram 1453, Dec. 16, endorsed the "strong representations" made by Cannon to the Greek Government in connection with the Cyprus demonstrations in Athens and Salonika and asked for Cannon's views whether "further and formal protests" were "necessary or advisable." (781.00/12-1654)

[3]Papagos' statement of Dec. 15 is quoted in despatch 576 from Athens, Dec. 20. (747C.00/12-2054)

No. 410

Editorial Note

A letter from Prime Minister Papagos to United Nations Secretary-General Hammarskjöld, August 16, requested that an item on self-determination for Cyprus be put on the agenda of the General Assembly. (United Nations Document A/2703) The General Committee of the United Nations General Assembly recommended inclusion of this item on the agenda by a vote of 9 to 3 (including the United Kingdom), with 3 abstentions (including the United States),

September 23. In the General Assembly on the following day, Iraq proposed postponement of a decision on inscription of the Cyprus item for a few days. This motion failed of adoption by a vote of 24 (including the United States) to 24 (including Greece), with 12 abstentions (including Turkey and the United Kingdom). The British Representative (John Selwyn Lloyd) opposed inscription on the ground that it interfered in a matter of British domestic jurisdiction, since the British had sovereignty over Cyprus. (United Nations Document A/PV.477, paragraphs 112–147) The Greek Representative (Stephanopoulos) argued for the right of self-determination in Cyprus. (*Ibid.*, paragraphs 155–180) Selim R. Sarper, Turkish Permanent Representative to the United Nations, stated that the administration of Cyprus was a British domestic affair in which the United Nations was not authorized to intervene, according to Article 2, paragraph 7, of the United Nations Charter. (*Ibid.*, paragraphs 181–190) The General Assembly placed the Cyprus item on its agenda by a vote of 30 (including Greece) to 19 (including Turkey and the United Kingdom), with 11 abstentions (including the United States), September 24.

A Greek draft resolution, which was dated December 13 and placed before Committee I of the General Assembly on the following day, expressed the "wish" that the principle of self-determination be applied to Cyprus. (United Nations Document A/C.1/L.124) New Zealand submitted a draft resolution "not to consider further" the Cyprus question and requested priority in discussion and voting on its proposal in Committee I, December 14. (United Nations Document A/C.1/L.125) Committee I granted priority to the New Zealand draft resolution by a vote of 28 to 15, with 16 abstentions. Its Chairman (Urrutia, Colombia) ruled that a two-thirds majority vote was not required on the motion for priority. (United Nations Document A/C.1/SR.749, paragraph 17)

United States Representative Lodge in Committee I supported the Chairman's ruling and the New Zealand resolution, which, he said, would not prevent Greece from stating its case, since a decision not to consider the Cyprus question further did not preclude discussion. Lodge stated that "prolonged consideration in this forum would only increase tensions and embitter national feelings at a time when the larger interests of all concerned are best served by strengthening existing solidarity among freedom-loving nations." (USUN press release 2084, December 14, quoted in part in *U.S. Participation in the UN, 1954*, page 61) Nutting (United Kingdom), Kyrou (Greece), and Sarper (Turkey) then made statements in Committee I on the Cyprus question. (United Nations Documents A/C.1/SR.749, paragraphs 28–33, and A/C.1/SR.750, paragraphs 1–39 and 40–74) The Soviet Representative (Georgiy N. Zar-

ubin, Soviet Ambassador in the United States) supported the Greek draft resolution in Committee I on December 15. (United Nations Document A/C.1/SR.752, paragraphs 19–23)

In an effort to provide a reasoned basis for the New Zealand draft resolution in Committee I on December 15, El Salvador and Colombia proposed an amendment to add a preamble which read as follows: "*Considering* that, for the time being, it does not appear appropriate to adopt a resolution on the question of Cyprus." (United Nations Document A/C.1/L.126) New Zealand accepted this amendment and the preamble was adopted by a separate vote of 44 (including Greece, the United Kingdom, and the United States) to 0, with 16 abstentions (including Turkey) in Committee I. It then adopted the New Zealand draft resolution as amended by a vote of 49 to 0, with 11 abstentions. (United Nations Documents A/C.1/L.125 and L.126) The Greek draft resolution was not voted on.

The United Nations General Assembly adopted the New Zealand draft resolution as amended on December 17 by a vote of 50 (including Greece, Turkey, the United Kingdom, and the United States) to 0, with 8 abstentions. (United Nations Document A/Resolution/292 [Resolution 814 (IX)]; text in United Nations Document A/2890, page 5) Turkish Representative Sarper said that Turkey's vote for the resolution did not imply recognition of the General Assembly's competence to consider the Cyprus question. He said in the future no just and equitable settlement of the "so-called question of Cyprus" was possible without Turkish cooperation and consent. (United Nations Document A/PV.514, paragraphs 258–261) British Representative Nutting said that British support for this "procedural resolution" did "not imply acceptance of the Assembly's right to take up the substantive consideration" of the Cyprus question. (*Ibid.*, paragraphs 270–274) Greek Representative Kyrou stated that the resolution postponed for the time being a decision on a question which remained pending before the United Nations. (*Ibid.*, paragraphs 281–291)

No. 411

747C.00/12-1854: Telegram

The Secretary of State to the Department of State[1]

CONFIDENTIAL
PRIORITY

PARIS, December 18, 1954—1 p. m.

Secto 16. In response Greek newspapermen's requests for comment on Cyprus UN action, Secretary today authorized reply which was handed out routinely through USRO press officer. Expect story to appear Sunday morning Athens papers.

FYI, Greek Foreign Minister had urged Secretary make statement re-affirming solidarity and warmth Greek-American relations and underlining long tradition of friendship between countries.[2] Greek Foreign Minister was shown advance copy proposed text and concurred in language.[3]

Begin verbatim text.

"One of the real pleasures of this North Atlantic Council meeting has been the opportunity to confer again personally with my friend, Mister Stephanopoulos, the Foreign Minister of Greece. I might say that one of the important reasons why we have had so successful a Council meeting was the effective leadership of the Greek Foreign Minister in his role of chairman of the Council of Ministers. My first action on arriving at Paris was to have a private conference with Mister Stephanopoulos. We had a long and friendly discussion of the Cyprus issue which was then under discussion in the Political Committee of the General Assembly of the United Nations in New York. Immediately following this discussion, I communicated personally with Washington and with the United States delegation to the United Nations in New York.[4] Late that evening the resolution under consideration in the Political Committee was amended and passed in the amended form by an overwhelming majority.[5] On the basis of the reports which I have had from New York, I believe that the resolution on Cyprus, as amended, meets in substantial degree on the points which the Foreign Minister raised in his discussion with me. I am happy that

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[1]Repeated to London and Athens and passed to USUN.

[2]Regarding Stephanopoulos' request for a statement by Dulles, see Document 407.

[3]A memorandum by Merchant to Dulles, Dec. 21, reads:

"On Sunday [Dec. 19] at noon after Ambassador Hughes' luncheon [in Paris] I took the opportunity of explaining to Tony Rumbold, Sir Anthony Eden's private secretary, the circumstances under which you had seen the Greek Foreign Minister, Stefanopoulos, and later agreed to give a statement to Greek journalists. I said that we were not giving out the statement either in Paris or at home and doubted that it would be picked up from the Greek press but that you were naturally anxious that Sir Anthony be aware of the background and circumstances." (747C.00/12-2154)

[4]For a report on this meeting, Dec. 15, see Document 406.

[5]For the voting in Committee I (Political Committee) of the U.N. General Assembly on the Cyprus question, Dec. 15, see the editorial note, *supra*.

this resolution, which reflects the spirit of moderation, found such broad support.

It is a matter of deep regret that the attitude of the United States on the Cyprus matter seems to be to some extent misunderstood in Greece. Such misunderstandings are unfortunately inevitable even as between peoples who have the deepest respect and regard for each other. I am, however, confident that the long tradition of friendship between the Greek and the American peoples will continue unimpaired.

I was particularly pleased to support at the Council meeting the proposal that the next meeting of the North Atlantic Ministers in the spring should be held in Athens."[6]

End verbatim text.

DULLES

[6]A bracketed note on p. 4 of the paper, "Cyprus Background," prepared by Wood, Sept. 21, 1956, reads as follows: "At British insistence meeting was not held in Athens." (Athens Embassy files, lot 66 F 94, "Cyprus 1966, Athens (56) Cyprus (Consolidated)").

No. 412

747C.00/12-2354

Memorandum of Conversation, by the Deputy Director of the Office of Greek, Turkish, and Iranian Affairs (Kitchen)[1]

CONFIDENTIAL [WASHINGTON,] December 23, 1954.

Subject: Call of Greek Ambassador re Cyprus (December 23, 1954, 5:00 p. m.)

Participants: Mr. George V. Melas, Greek Ambassador
Mr. John D. Jernegan, Acting Assistant Secretary, NEA
Mr. Jeffrey C. Kitchen, Deputy Director, GTI

The Ambassador commenced by referring to the Secretary's letters of July 28 to the Greek Foreign Minister[2] and November 16 to Prime Minister Papagos.[3] He said these letters showed that the United States was willing to assist in seeking a mutually acceptable solution for the Cyprus problem.

The Ambassador then became rather emotional and asked why the United States had seen fit to go along with the British as far as UN action on the Cyprus issue was concerned. He recalled the American tradition of freedom and expressed the opinion that our

[1]Drafted on Dec. 30.
[2]Document 375.
[3]Document 396.

action in this matter was inconsistent with that tradition. He then adverted to recent conversations with his "Turkish colleague" which led him to believe that the Turkish Government had not acted as a free agent in taking a stand against the Greek resolution but had, in fact, been subjected to great pressure. Ambassador Melas clearly implied the British Government had put such pressure on the Turks.

Mr. Melas inquired rhetorically what the British wanted out of this and what they expected the result could be. He had read in the *New York Times* that the British were again considering offering the Cypriots a parliament with an appointed majority. This, of course, was completely inadequate and unacceptable. In the House of Commons debate, the Colonial Secretary had said the British position was strengthened by the UN vote. If the British intended only to pursue their old course, it would be a great mistake. They couldn't have everything their way. He stated with great emotional emphasis that international relations were now governed by a set of accepted standards and practices embodied in the Atlantic Charter, the UN Charter, the Potomac Charter, and similar basic agreements to conduct international relations on a just and legal basis. The Greeks, he asserted, could not be treated as "colonials"—they were neither Zulus nor Sudanese. Although he had received much of his formal training in Britain and was an admirer of their institutions, he was at a loss as to how they could realistically and genuinely maintain the position they had assumed in connection with Cyprus.

Mr. Jernegan stated that our position with regard to Cyprus, and the reasons why we had pursued the course which had culminated in our UN vote in favor of deferring consideration for the time being, had been clearly stated in the Secretary's communications to the Foreign Minister and Prime Minister. It had also been set forth in discussions in Washington, and by our representatives at the UN. There was no need to review the history of the United States position at this juncture. In answer to the Ambassador's question, one could presume that the strategic position of the island and the matter of prestige had played a considerable part in the formulation of the British position. Regardless of whether prestige was a rational or logical consideration on which to base a position it, nevertheless, was a real factor which could not be discounted in international dealings.

The Ambassador interrupted, seizing on the question of prestige, and said that in the modern world "prestige is not enough" on which to base a course of action on a matter as important as this. He was afraid the United States gave way to outward form. The British could keep a few battalions of fusiliers on the island and

scatter them around the Middle East from time to time to "protect the oil lines" as occasion demanded, but their usefulness was not comparable to the devoted willingness of some 400,000 Greeks on Cyprus to defend that soil as part of their homeland. The Ambassador then suggested the military problems involved should be examined by a team of top military men in order to decide on actual base requirements on the island. There could be no doubt that Greece would make the bases available. Greece was on the allied side. They had no Bevan; sent no goods to Red China. Could they be considered less reliable? The United States apparently considered its arrangements on Crete satisfactory, and the Ambassador regarded the United States Sixth Fleet as more of a factor in area defense than "the island" as such.

Mr. Jernegan said that while much of what the Ambassador had said was logical, yet he believed one could safely assert prestige constituted approximately 90% of the British position.

The Ambassador interjected that, with all due respect, the United States should not be "entangled" with this. The Cypriots had all the prerequisites to be free—and no valid reason for not being free. He referred to the recent regrettable "riots" in Athens and Salonika. To be candid, he was distressed, but not astonished. Greece was a peninsula of eroding rocks whose economy had been resuscitated and was now kept going by United States assistance. Although Greece had been a poor country for 400 years, her one great contribution had been her love of liberty and her defense of freedom. He reiterated that in modern circumstances prestige and the British concern for "position" was insufficient in face of the overwhelming facts and reasonableness of the proposition that Cyprus should be a part of Greece. He begged the United States to consider not only its history, but the negative effect on its influence which would result from its appearing to defend colonialism. A colleague in the Greek Foreign Service, who had recently written to him after a trip to Southeast Asia, expressed great concern because in that area the United States had been successfully labeled by the communists as a defender of the colonial system and a protector of the colonial powers. The implications in connection with United States world leadership were very great indeed and should be weighed carefully by the United States Government.

Mr. Jernegan replied that all factors had been taken into account in determining the United States position. It was not true that on the Cyprus question the United States was simply defending a colonial position. As we had stated in our communications to the Greeks, our overriding concern was that there should not be an open split between our friends and allies in the UN. Such a debate at this juncture could not hope to produce a beneficial result. It

was appropriate for the Greek Government to bring to our attention its concern in relation to future developments. We intend to seek ways for a satisfactory settlement. What we can accomplish is another matter. He urged the Greeks not to draw gloomy conclusions from the speech of the Colonial Secretary.[4] From his experience in Tunisia he was aware that parliamentary speeches were frequently intended primarily for home consumption and contrasted past statements in the French Assembly to recent favorable developments in Tunisia. With a release of pressure, the Colonial Secretary might be more forthcoming. He strongly urged an attempt at *rapprochement* between the British and Cypriot leaders. The latter should talk with the British even if the initial British proposal is not regarded as good enough. A refusal on the part of the Cypriots even to discuss would be regrettable. The history of other British colonies showed they were not unbending. He differed with the Ambassador in that the United States did not regard it as its responsibility to see to it that all nations lived up to all principles of all charters. It was certainly desirable that they do so, but as a practical matter the United States could not be expected to execute a universal policing responsibility. However, this Government continued to be concerned that a satisfactory solution be worked out between the parties at interest, and we would continue to seek one.

The Ambassador apologized for calling "on Christmas Eve" but said that his Government and he personally were concerned that the United States should continue to be conscious of the need for a reasonable settlement.

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[4]Not further identified.

ALBANIA

[Documentation on this subject has not been declassified for inclusion in this volume.]

[1]For previous documentation on the attitude of the U.S. Government toward Albania, see *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1318 ff.

FINLAND

UNITED STATES INTEREST IN THE MAINTENANCE OF THE INDEPENDENCE OF FINLAND

No. 413

611.57A/2-152

Statement of Policy Proposed by the National Security Council[1]

[Extracts]

TOP SECRET
NSC 121

[WASHINGTON,] January 8, 1952.

THE POSITION OF THE UNITED STATES WITH RESPECT TO SCANDINAVIA AND FINLAND

. . . . . .

With regard to Finland, it is in our interest that she maintain her independence. Although the Finns value highly their independence and are intensely anti-Soviet, this country's freedom of action in its foreign relations is drastically curtailed by its proximity to Soviet power and by various treaty obligations which Finland has been forced to undertake. The key to U.S. policy is to avoid any steps which would threaten the delicate balance of Finnish-Soviet relations and call forth drastic Soviet measures inimical to Finnish independence.

. . . . . .

[Attachment]

NSC STAFF STUDY ON THE POSITION OF THE UNITED STATES WITH RESPECT TO SCANDINAVIA AND FINLAND

Our relations with Finland differ from those with Scandinavia because of Finland's special relationship to the Soviet Union. Fin-

[1]Transmitted as an enclosure to operations memorandum 19 to Helsinki, Feb. 1. For another extract of NSC 121, see vol. VI, Part 2, p. 1758.

land is not a Soviet satellite. It is a constitutional democracy with unrestricted internal sovereignty wherein the democratic freedoms are guaranteed by law. Although there is a strong Communist Party in Finland, it has had no positions in the Government since 1948, and there does not now appear to be a likelihood of the Party's taking over Finland by internal coup. Nevertheless, Finland's freedom of action in its foreign relations is drastically curtailed by its proximity to Soviet power and by various treaty obligations which Finland was forced to undertake after the war. Our basic objective is therefore limited to the maintenance of Finland as an independent and democratic state; because it would be extremely dangerous to Finland, it is not in our interest to make any attempt to incorporate Finland into a Western bloc.

In view of their position and Soviet sensibilities, the Finns must be very circumspect in their dealings with the West, even though the overwhelming majority of Finns, as in the past, identify themselves with the West. By the same token, we must be careful not to take any action which would disturb Finland's relations with the USSR. These delicate relations preclude Finland's participation in the ERP, the NAT, and make impossible our extending any military assistance or the development of Finnish defense. This situation has not, however, prevented our giving moral support through informational and cultural exchange, or economic support through carefully allotted credits and the maintenance of Finland's traditional pattern of trade predominantly with Western Europe and the Western Hemisphere, all of which we have been or are seeking to do.

We have, however, a particular problem arising from Finland's trade with the USSR and the Soviet bloc. Though decreasing, this trade is expected to constitute 20–25% of the Finnish total during the next few years. Some of the items Finland traditionally supplies to the Soviets include scarce or strategic materials, for which Finland receives in return other strategic commodities. While it would appear that both for political and economic reasons there is no immediate possibility for Finland to eliminate or substantially reduce the export of strategic items in its trade with the Soviet bloc without serious consequences, we should continue to impress the Finns with our concern over this trade. However, although a careful case-by-case review should be made in order to minimize any contribution which U.S. exports to Finland might make to the Eastward flow of strategic items from Finland, the United States should continue to export available materials which are necessary to Finland's economy.

Unofficial Soviet sources have expressed the thesis that the Baltic is a closed sea. However, there has been no indication that

the Soviet Government proposes to promulgate this as an official doctrine. A closure would be unacceptable to the United States, to the riparian states (Finland, Sweden, Denmark and Germany), and to other Western states which have important interests in the area. Recent Soviet attempts to extend territorial waters in the Baltic have been protested by Sweden and Denmark and these two countries continue their study of means to resist this encroachment. Sweden's traditional neutrality policy is not reflected in any tendency on the part of the Swedish Government or public opinion to accept Soviet encroachments in the Baltic; on the contrary, there has been a strong Swedish reaction against Soviet attempts to extend its territorial waters, and it is regarded as a very healthy exercise that Sweden continue to wrestle with this problem.

A unilateral declaration by the USSR would not in itself effect the closure of the Baltic. However, such a declaration coupled with the use of or display of force aimed at enforcing the declaration could result in closure of the Baltic. If these steps involve military action against merchant or public vessels or aircraft of the NAT powers in or over the Baltic, or armed violation of Danish sovereignty or UK occupational jurisdiction in Germany, the provision of Article V of the NAT could be invoked.

In our desire to support Finnish independence by the limited means available, we should avoid any steps which would threaten the delicate balance of Finnish-Soviet relations and call forth drastic Soviet measures inimical to Finnish independence. In this connection, so long as Finnish exports of strategic items to the Soviets remain limited, we should in so far as supply considerations permit, and after careful scrutiny on a case-by-case basis, refrain from restrictive action on any exports whose denial would weaken the Finnish economy or which might prompt Soviet action endangering Finland's independence.

. . . . . .

No. 414

S/S–NSC files, lot 63 D 351, NSC 121 Series

Progress Report by the Under Secretary of State (Smith) on the Implementation of NSC 121[1]

[Extract]

TOP SECRET [WASHINGTON,] August 25, 1953.

. . . . . .

With respect to Finland, the growth of Finnish trade with the Soviet bloc is a cause of increasing concern. On October 15, 1952, the Economic Defense Advisory Committee (EDAC) assigned to an inter-agency working group the problem of preparing a program of possible U.S. actions to counteract the expansion of Finland's trade with the Soviet Union and to lessen Finland's economic dependence on the Soviet bloc in general.

The problem had come to a head as a result of Finland's action in September 1952 in concluding supplementary trade agreements with the Soviet Union calling for a substantial increase in trade during 1952–1955 over the levels provided for in the basic Finnish-Soviet Trade Agreement for 1951–1955 concluded in June 1950. These supplementary agreements were concluded simultaneously with the ending of Finland's reparation deliveries to the USSR, and their effect has been to continue as commercial exports to Russia that portion of Finland's output of ships, metals, and engineering products formerly delivered as reparations. Under the current annual Finnish-Soviet Trade Agreement for 1953 the Soviet Union has assumed first place in Finland's total foreign trade this year. On the basis of Finland's 1953 trade agreements, the Soviet bloc will account for 30–35 percent of Finland's total trade this year. This estimate is borne out by the first quarter trade returns.

Direct approaches to the Finnish Government reiterating our concern over the new commitments to deliver strategic items have received the same response as in the past: the Finns indicated their helplessness to do anything about the situation. Informal discussions have been held with the British, Swedes, and Germans concerning the dangerous Finnish trade situation with a view to enlisting their support in assisting the Finns to disentangle themselves from economic dependence on the Soviet bloc. These approaches have not been productive.

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[1]For an extract of NSC 121, see *supra*.

The inter-agency working group submitted its report to the Executive Committee of the EDAC on April 27, 1953. A revised version of the report, brought up to date as of June 22, is appended to this Progress Report. It is obvious from the report of the working group that the approach on which its efforts have been based cannot possibly yield results communurate [*commensurate*?] with the size and the seriousness of the problem.

This approach is necessarily an improvised, piecemeal effort. It comprises a series of positive and negative measures—positive in the sense of supporting the Finnish economy and expanding Finland's trade with the West through such measures as assisting Finland to find markets in the West, procuring in Finland for U.S. troop subsistence in Europe, rechanneling off-shore procurement contracts to Finland, et cetera—and negative in the sense of preventing or minimizing the Finnish contribution through exports to the Soviet military-economic potential.

Even if the measures which have been explored could be put into effect immediately, they could not substantially reduce the degree of reliance of Finland on Soviet trade. Finland is committed to at least its present volume of trade with the Soviet Union until 1955. Even on the favorable assumption of no further increase in such trade and a 50 percent increase in Finnish trade with the West, the relative position of Soviet bloc trade would only be reduced from its present 30 to 35 percent to approximately 25 percent.

An effective action program would have to be a massive effort aimed at diverting existing Finnish-Soviet trade to Western channels. In the face of the existing long-term trade agreement and the precarious Finnish strategic situation, this result could only be achieved by extraordinary measures on the part of the West and specifically by the United States, tending in the direction of preclusive buying and involving considerable financial cost and possibly military guarantees. If these were taken suddenly they would involve the Finns in reneging on their trade agreement with the Soviet Union. Such a program would presumably not be regarded as politically feasible by the Finnish Government.

Moreover, such measures would not be in accord with NSC 121 policy, namely, "to avoid any steps which would threaten the delicate balance of Finnish-Soviet relations and call forth drastic Soviet measures inimical to Finnish independence." In view of this, and since the October 15, 1952 EDAC directive referred to above provided that "the formulation of an effective program . . .[2] may involve the need to revise the existing NSC policy paper on Fin-

[2]Ellipsis in the source text.

land," the Department of State has reviewed all pertinent sections of NSC 121.

Policy Evaluation

It is the view of the State Department that the present policy on Finland as set forth in NSC 121 including U.S. export license policies should be continued. This view is based on the judgment that a major U.S. initiative, which would involve considerable financial costs, aimed at a massive re-direction of Finnish trade away from the Soviet bloc would incur far greater political and military risks than the present situation entails—risks which neither the U.S. nor Finnish Governments would be prepared to take at this time. The United States Government should, however, continue its present efforts with other governments to expand Finnish trade with the free world and should actively search for means of increasing Finnish trade with the United States with the aim of decreasing Finland's reliance on Soviet markets.

The general policies set forth in NSC 121 remain valid.

WALTER B. SMITH

Appendix

SECRET [WASHINGTON, June 22, 1953.]

PROGRESS REPORT ON A PROGRAM OF POSSIBLE US ACTIONS TO LESSEN FINLAND'S ECONOMIC DEPENDENCE ON THE SOVIET BLOC

By operational memorandum dated October 15, 1952,[3] the Administrator of the Battle Act and the Steering Group of the Economic Defense Advisory Committee (EDAC) assigned to an interagency working group the problem of preparing a program of possible United States action to counteract the expansion of Finland's trade with the Soviet Union and to lessen Finland's economic dependence on the Soviet Bloc in general.

The problem came to a head as a result of Finland's action in September 1952 in concluding supplementary trade agreements with the Soviet Union calling for a substantial increase in trade during 1952–55 over the levels provided for in the basic Finnish-Soviet trade agreement for 1951–55. These supplementary agreements were concluded simultaneously with the ending of Finland's reparations deliveries to the USSR, and their effect has been to continue as commercial exports to Russia that portion of Finland's output of ships, metal, and engineering products formerly delivered

[3]Not found in Department of State files.

as reparations. The Finnish-Soviet trade agreement for 1953, which was concluded in February, will accord the Soviet Bloc first place in Finland's total foreign trade this year. Legation Helsinki has estimated that the Soviet Bloc will account for 30 to 35 per cent of Finland's total trade in 1953. This estimate has been borne out by the trade returns for the first four months of this year.

The inter-agency group (a subcommittee of the EDAC Decreasing Reliance Working Group) organized to deal with the problem, comprises representatives of the Department of Commerce, Defense and State, and of MSA and DMS. The directive of October 15 referred to above outlined the field of exploration, including both short-range and long-range aspects, and suggested that consideration should be given to positive and negative measures; positive in the sense of supporting the Finnish economy and reducing its degree of dependence on the Soviet Bloc, and negative in the sense of preventing or minimizing the strategic Finnish exports to the Bloc.

Considerable study has been given to the problem, and a great deal of activity has taken place within the agencies concerned with it. The net result of these efforts, outlined below, has been anything but encouraging.

1. US Representations to Finnish Government

Under the heading of negative measures, the subcommittee was directed to examine such measures as the possibility of steps to restrict Finnish deliveries of strategic items to the Soviet Bloc. In accordance with this directive, Legation Helsinki was instructed to take the occasion of the arrival of Minister McFall in Helsinki[4] to reiterate our concern over the new Finnish commitments to deliver strategic items. (Our outgoing Minister, Mr. Cabot,[5] had already made forceful representations on this score.)

The incoming Minister made the approach in November 1952, and the outcome as expected, was the same as on previous occasions: the Finns indicated their helplessness to do anything about the situation. This type of negative approach is clearly unproductive, and should be avoided in the future in the absence of our offering practical alternatives to the Finns.

2. Possible COCOM Action

Also under the heading of negative measures, the subcommittee considered steps which might be taken to prevent Finland from receiving from Western sources raw materials and components for

[4]Jack K. McFall presented his credentials as Minister to Finland on Nov. 15, 1952.

[5]John M. Cabot served as Minister to Finland, Feb. 27, 1950–Sept. 20, 1952.

use in the production of strategic goods for the Soviet Bloc. The obvious place to do this would be in COCOM, which in the past has regarded Finland as a special case because of its geographical position. This is evidenced by a COCOM agreement to report on shipments to Finland of strategic items. (In 1951 COCOM countries, including the United States, licensed for exports to Finland a total of $22 million in International List I items, $36 million in List II, and $15 million in List III. Similar data for 1952 have not as yet been compiled in the Department of Commerce.) The narrow interpretation which certain other participating countries place on COCOM's terms of reference would limit United States objectives in any such approach to inducing Finland's Western suppliers to impose controls on their shipments to Finland of rated (e.g., copper) and, as a maximum, certain non-rated (e.g., ship-plate) items that enable Finland to export strategic end-items to the Bloc. Even if COCOM agreement to exert this kind of pressure could be obtained, the advisability of the action is open to serious question. Such pressure, unaccompanied by positive alternatives, would be fiercely resented in Finland, and would present the Soviet and Finnish Communists with a first-class propaganda argument. The Soviet Bloc might then be able and willing to step in to supply the strategic goods withheld by the West, thereby further increasing the already alarming reliance of Finland on its trade with the Bloc. In any event, given the British attitude described below, and the likely attitudes of the Norwegians and Danes, as ascertained from the Chief of the United States COCOM Delegation, it is unlikely that this type of United States proposal would gain such support. On the contrary, it might cause a lot of trouble. The proposed action would be unprecedented: for the first time COCOM would be considering strategic trade controls directed against a friendly country, politically oriented to the West and having deeply rooted sympathies for the Western cause. Moreover, the Danish representative in COCOM has periodically questioned the propriety of even reporting statistics on strategic exports to Finland. The question of Scandinavian solidarity would doubtless have to be reckoned with.

3. Approaches to the British

Under the heading of positive measures to assist the Finns in disentangling themselves from Soviet economic influence, the subcommittee was directed to explore the feasibility of an approach to the United Kingdom suggesting that their trade policy towards Finland be oriented towards supporting that country's economy to the greatest possible degree. This would seem to be logical since the United Kingdom historically has been Finland's most important

trading partner. This exploration has been made in an informal way.

The latest action taken along this line was in connection with the Finnish-United Kingdom trade negotiations for 1953. Embassy London was instructed to approach the Foreign Office, for the third time in recent months, urging on the British the desirability of increasing trade with Finland. Embassy London replied to the effect that it does not believe a further general approach of this kind would serve any useful purpose in the absence of concrete and detailed proposals by us or the Finns. There are formidable economic counter-arguments on the British side, particularly at the present time when British efforts are concentrated on restoring the convertibility of the pound sterling. Although it would be perhaps politically more desirable to devote more resources to drawing supplies from Finland, the United Kingdom appears to feel that the resources which would be involved in this operation would make a greater contribution to the common cause if used for export, direct defense, or capital development purposes.

The disturbing element in the British attitude is that they apparently admit the element of long-term danger inherent in the present situation; yet they deny the necessity of taking immediate measures of correction that might be carried forward into the long-term. In any event, the several discussions held with British Government representatives in London and Helsinki indicate that the British would be unwilling, or at least are not presently persuaded, that they should take the lead to initiate multilateral discussion of the Finnish problem say in OEEC or COCOM. The reason why it would be desirable for the British rather than the United States to take the lead, in addition to their historical importance in Finland's total trade is patent; any initiative on the part of the US is *ipso facto* disturbing to our Allies, having as they do basic fears regarding United States objectives in the Cold War.

Along this same general line, and related to the level of UK-Finnish trade, the subcommittee undertook to explore the reasons why British purchases of sawn timber cannot or should not be diverted from the USSR to Finland, particularly in view of Finland's needs for wool, rubber, iron and steel, machinery, chemicals and industrial raw materials from the sterling area, and in view of Finland's desire to double its imports from the United Kingdom as compared with 1952, provided that Finnish exports to the United Kingdom reach a corresponding value. The conclusions drawn from this exploration were as follows:

1. In so far as the drop in British lumber imports from Finland arose from abnormal conditions in 1952, a large measure of correction is underway. Prospects for 1953 are that Finland will increase

its lumber exports to the UK by at least 50 per cent over 1952, while those to the USSR have been reduced in the 1953 trade protocol. British lumber imports from the USSR, which had decreased in 1952, will increase in 1953.

2. Beyond 1953, an increase in Finnish exports to the British market will depend on whether: (a) this market itself is expanded by a relaxation of internal controls on timber consumption in the interests of an expanded housing program; (b) a depression occurs and leads to decreased UK lumber imports and restrictions on dollar area imports; and (c) the USSR embarks on a trade offensive to gain a greater share of British trade.

3. A re-extension of traditional short-term credits to Finnish exporters by British banks and importing firms would stimulate greater Finnish exports. Soviet lumber, if offered at low prices, could be excluded from the UK market only by a return to discriminatory trade controls.

4. Approaches to Other Governments

It is clear from conversations with Swedish Government officials that they also are concerned over the increased Finnish economic dependence on the Bloc. However, the Swedes apparently feel there is little they can do because in general Swedish and Finnish products are competitive.

Discussions have also been held with representatives of the Western German Government, but in this case the very large clearing deficit of Finland, amounting at present to $33 million, clearly precludes increased imports from Finland for the time being.

5. Increasing Finland's Dollar Earnings Through Commercial Exports

With regard to the prospects of increasing Finland's direct dollar earnings, the only area in which major purchases are possible is forest products; however, the important expansion which has taken place in the United States pulp and paper industry has decreased United States dependence on imports of practically every pulp and paper product except newsprint. Finnish officials, in informal discussions in Washington, have expressed agreement with this view.

Notwithstanding this discouraging general prospect for increased direct dollar earnings, the Finns have enjoyed some small success during the past three years in marketing doors in the United States. Even this modest accomplishment is presently jeopardized, however, by the refusal of local carpenters' unions in this country to install foreign-made doors. The Department of State is currently making strong efforts to overcome this difficulty, since direct Finnish efforts to improve the situation have failed thus far.

Other possibilities for assisting the Finns to market their products in the United States have been explored as opportunities have arisen. A recent case in point has been the investigation by the De-

partment of State of the possibilities of selling Finnish alcohol in the United States. The results in this case were negative, but in no event would the magnitude of imports involved be significant in terms of the total foreign trade of Finland.

As another example of recent action designed to enable Finland to earn dollars, DMS has been exploring the possibilities of diverting very small MSA-financed Yugoslav and Formosan purchases of pulp and paper from the United States to Finland.

6. Subsistence Procurement for US Occupation Forces in Europe

The subcommittee has explored the possibilities of military subsistence procurement in Finland for United States occupation forces in Europe. According to the Department of Defense, there is little present likelihood of such procurement in Finland because "the needs of our forces in Europe for the products that Finland is likely to have for sale are probably not large enough to make purchase in Finland feasible, in view of possible high prices, transportation costs, duties, etc." In any event, the extent to which such purchases could assist in weakening Finland's economic ties with the Soviet Bloc is probably insignificant.

7. Off-Shore Procurement—Economic

The possibility of off-shore procurement in Finland with MSA defense support funds has also been looked into. Ordinarily, United States dollar assistance is extended to recipient countries only for purchases which those countries must of necessity make in the dollar area. Even if this fact could be ignored, it is highly doubtful that recipient countries would be willing to expend scarce dollars to draw supplies from Finland.

8. Off-Shore Procurement—Military

The possibilities of defense off-shore procurement contracts being placed in Finland have also been investigated. Apart from the fact that Finland is not a NATO country, with all that adherence to NATO implies, the Department of Defense believes that "it may be dangerous to embark on general programs for aiding the economy of Finland unless such programs are tied definitely and unmistakably to some kind of *quid pro quo* on the part of Finland, which would result in elimination or at least a significant reduction, of the flow of goods to the Bloc". Beyond this argument, however, the relative advantage to United States security of placing specific off-shore procurement contracts in Finland must be weighed against the consequences of diverting such contracts from, say, the depressed shipyards of a NATO country.

In discussions between our people in Helsinki and the Finns, the latter have suggested that means might be found to permit the sale

for dollars of small vessels for delivery to NATO countries like Greece and Turkey. Admittedly, Finland probably could not compete on the basis of prices with Dutch and other Western European shipyards. The Legation suggestions, however, that Finnish prices might be made competitive if dollar contracts were let. (The Finns have indicated that they could possibly grant a 20 to 30% discount if paid in dollars, since Finnish importers would be willing to pay a surcharge of like percentage for their imports from the United States thus made possible with the dollars acquired. Finland would have to consult the International Monetary Fund before introducing such an arrangement, but it appears on the basis of very preliminary consideration that the proposal could be presented in such a way that it would not create a serious problem.)

9. US Interest in Finnish Cobalt

Considerable exploration and staff work have been done in the United States Government in connection with the possibility of a development loan to a Finnish firm for the production of cobalt. Presumably, such a loan would serve both the United States objective of increasing our stockpile of cobalt and the objective of preempting any future Finnish supply that might otherwise become available to the Soviet Bloc. Two officials of DMPA visited Finland in January 1953 to investigate this project, and at that time, advised the Finns as to the possibility offered for financial assistance by DMPA. No reaction has been received from the Finns, probably because of the possible political repercussions of a loan from a United States Government agency.

The most recent information from EPS and DMPA indicates that these agencies are uncertain as to what their reaction would be if some concrete Finnish proposal were forthcoming. At the present time, EPS has contracted for the spot purchase of as much cobalt as is needed for United States stockpiling purposes.

In any event the direction of future Finnish action on the cobalt processing project depends upon the outcome of certain litigation in the Finnish courts. As to the possibility of United States assistance in some feasible form, the most recent concensus of the United States agencies concerned is that a decision has yet to be made as to whether United States assistance would be in our security interest. The vulnerability of the Finnish Government to Soviet pressures and the strategically exposed position of Finland have been mentioned as factors bearing on this question.

The problem, which was an immediate one in October 1952 of purchasing the balance of cobalt metal to be returned to Finland under a processing arrangement with a Western German firm seems to have disappeared. The cobalt made available to Finland

under this processing contract in 1952 has been sold to Western European countries, namely, France, Belgium, the Netherlands, and the United Kingdom. The Government-owned Finnish firm involved in the processing arrangement expects to sell its share of the 1953 production to the same customers, retaining about 10 tons to cover Finnish requirements. Thus it appears that the Soviet Bloc has been precluded from obtaining any of this production, except for the possibility that the Finns might have to permit some cobalt to move to the Bloc in order to assure their supplies of essential materials. This they would do only under the most compelling circumstances.

10. Proposal for Expansion of Small Rural Industrial Enterprises in Finland

During April and May of 1953 the Department of State held several conversations with, and gave all possible assistance to Mr. Jaakke Kahma, Director of the Finnish Foreign Trade Association, in his effort to obtain a non-United States Government credit of about $5 million on very liberal terms. The purpose of the credit would be to expand existing small industries producing specialty items in the northern rural areas of Finland. The project is aimed basically at improving the social and economic conditions of a large segment of the Finnish population by providing additional employment opportunities and supplementary incomes. There now exists some small industry scattered in the rural areas, working entirely for the local market. The enterprises are unorganized and their production is low. Machinery and equipment are needed to increase productive capacity. Organization and advice are needed so that production could be directed to the requirements of foreign markets in the West. Activities need to be coordinated so that large orders from a market like the United States might be filled. (During the 1930's the small producers of specialty goods were often unable to meet big orders coming from the United States.)

As of the end of June, Mr. Kahma had apparently achieved some success in discussions at the IBRD, which has indicated its willingness to consider Kahma's general proposition. In addition, private US foundations appeared ready to finance certain educational aspects of the project.

No. 415

Secretary's Memoranda of Conversation, lot 64 D 199, "Finland"

Memorandum of Conversation, by the Director of the Office of British Commonwealth and Northern European Affairs (Raynor)

CONFIDENTIAL [WASHINGTON,] September 11, 1953.

Subject: Courtesy Visit of Finnish Foreign Minister and the Governor of the Bank of Finland

Participants: Mr. Ralf Torngren, Finnish Foreign Minister
Mr. Sakari Tuomioja, Governor of the Bank of Finland
Minister Johann A. Nykopp, Legation of Finland
The Secretary
Mr. H. Raynor, Director, BNA

Mr. Torngren, Foreign Minister of Finland, accompanied at his request by Mr. Tuomioja, Governor of the Bank of Finland and Minister Nykopp paid a courtesy call on the Secretary this morning.

US-Finnish Relations

The Secretary said he wanted to express the high esteem in which the Finnish people were held in this country. He said their record, their traditions, and successful overcoming of many obstacles had created a deep feeling of high regard for Finland in this country.

The Foreign Minister thanked the Secretary for this statement and said he also wanted to thank the Secretary for the help which had been rendered to Finland by this country which had been invaluable.

At the close of the meeting the Secretary said that while, of course, he could make no promises he wanted the Foreign Minister and Governor to know that if there was any way in which this country could be helpful he could assure them that any requests would receive warm and sympathetic consideration.

Economic Conditions

The Secretary inquired as to the present economic situation in Finland and the Foreign Minister and the Governor replied that it was not good and that the fundamental problem was a matter of high production costs.

Soviet Intentions

The Secretary referred to the location of Finland and to the fact that they must, therefore, follow Soviet developments closely and inquired as to their opinion of present Soviet policy. The Foreign

Minister replied that they were, he felt, in a period of consolidation and that at least for a while we would hear more of peace from Russia and that for the time being there would probably not be further aggressions. He appeared to agree that fundamental Soviet objectives had not changed and that they are now, as indicated above, in a tactical period of consolidation. He observed that we must remember that in addition to Bolshevism there was a considerable element of nationalism in the Russian picture.

No. 416

860E.00/12-1753

Memorandum of Conversation, by the Director of the Office of British Commonwealth and Northern European Affairs (Raynor)

SECRET [WASHINGTON,] December 17, 1953.

Subject: Finnish Economic Situation—Effectiveness of Possible American Aid as a Solution Thereto.

Participants: Minister Nykopp, Legation of Finland
Mr. H. Raynor, Director, BNA

Minister Nykopp called this afternoon at my request. I told him in view of the continuing concern which a number of us in Washington felt with respect to the Finnish economic situation from the point of our view of our concern that Finland remain independent, I wanted, with his permission, to continue, on a personal and informal basis, the conversation which I had had at lunch at his home a month or so back with him and Mr. Tuomioja, then the Governor of the Bank of Finland and now Prime Minister of Finland.[1]

I referred in general to the views expressed by Mr. Tuomioja and by him at the lunch and wondered in the light of developments if Mr. Nykopp in general still subscribed to such views. I said a further reason for suggesting this talk was the publication recently of certain stories in our press with respect to the Finnish economic situation which had been rather alarmist in character.

Mr. Nykopp expressed the view that while the situation has been and remains serious that in some respect it is not quite so bad now as it was six months or so previously. This improvement is due to a slight firming of prices and some increase of British demand for certain forest products. Also the price of raw timber has declined. The combination of the decline in the price of raw timber and the slight increase in the price of the processed product for export has

[1]No further record of this luncheon has been found in Department of State files.

resulted in a favorable differential totalling approximately $5.00 per ton has gone a considerable distance to bridge the gap between costs and sales but has not yet gone far enough to put the business back on a profitable basis. He stressed, however, these changes in terms of trade have been in the right direction.

I queried him rather hard on his feeling as to the magnitude of the unemployment problem this winter. He seemed to feel that the present level did not bear out the pessimistic prediction that unemployment would be the highest on record. He said as to what the peak would be could not yet be predicted because it would depend on whether the owners of the raw material would begin to sell or not. He said the raw material owners and processers were still playing poker. He felt, however, that inventories of the processers were somewhat below normal and should the increase in demand, say from the British continue, that fairly soon they might feel it necessary to buy. From the other side of the picture, many of the owners of the raw material might begin to run short of money and be more willing to sell. While avoiding any definite prediction, on balance, I gathered the impression that he thought the shutdowns and the consequent unemployment, and this is the area where unemployment would be the greatest, might not be as severe as predicted. I asked him if he was apprehensive as to unfavorable effects of unemployment on the elections now scheduled for March. He did not seem unduly disturbed saying that a majority of those thrown out of work would be given public works jobs by the State. He also said that when the labor force was reduced that the first people to be let out were usually the Communists. He even ventured to say that this might have the effect of some of the Communists wondering if being a Communist paid and might, therefore, vote another way. He thought the workers who were non-Communist would be well enough taken care of either by not losing their jobs or receiving assistance from the State so that there was little danger of a swing on their part to the Communists.

I reviewed with him the ground I had covered at the lunch meeting with Tuomioja. He said he continued to feel the problem was one of costs and not one which was susceptible to a cure by dollars or for that matter by any foreign exchange considerations. He confirmed that if the Deutsche-Mark loan goes through from the International Bank that the process of modernizing equipment in the forest products industry would be largely taken care of. He said some consideration had been given to requesting a loan in an amount of approximately $3 million for road building which would be highly desirable for the long-range future and even might be necessary in from three to five years should there be a broad increase in the demand for Finnish forest products. He said this

transportation question was not presently an element in cost but could become one should there be a considerably higher demand. He said the Government had decided to defer making this application as they did not want to increase loan obligations except upon a basis of real need.

I asked him about the proposal of Mr. Kahma, made last summer, with respect to establishing local village industries in the North. He said this question was being worked upon and Finland is now trying to translate it into practical terms and that local capital for the enterprise would be raised. Then a canvass would have to be made as to what equipment from non-Finnish sources would be required. He personally was of the opinion that most of this equipment could be found in Europe and paid for in European currency although he did not completely rule out the possibility that some dollar equipment would be necessary. He did not seem to think, however, that the dollar component of the program would be substantial. In answer to my direct inquiry as to what Finland's greatest economic need was at the present, he said it was to be able to sell more to the West. He thought the most useful thing the U.S. could do would be to find ways of increasing purchases either privately or publicly in Finland. In this connection he referred to the off-shore procurement problem in terms similar to those he had used in speaking to Waugh the other day.[2] . . . He said, however, he thought the yards were full in '54 but could take on such orders in '55.

He also referred to the possibility of working out third country arrangements, perhaps under Section 550. He said, for instance, the Finns liked Virginia tobacco and American cotton. Could these products be made available for sale to the Finns for local Finnish currency under Section 550, the currency then being used to buy Finnish articles needed for aid programs in third countries. He said, for instance, Israel needed building materials. Could the local currency proceeds on the tobacco deal be spent by the U.S. in Finland for building material for Israel. He said this idea was being discussed with FOA by private interests at the moment. He mentioned in this connection the name Culbertson. It seemed likely although not certain from what he said he was referring to Col. William Culbertson. I said that while I couldn't say what the technicalities might be that I thought plans of this type should be given thorough consideration and that I would see that the one he had just mentioned would be looked into. In this part of the discussion he referred to but did not press the idea he had advanced several

[2]The conversation with Assistant Secretary of State for Economic Affairs Waugh has not been further identified.

months ago of a loan with Western Germany on wheat. On the subject of off-shore procurement he thought that prefabs which might be needed for military construction in Germany or elsewhere might be a promising avenue.

I asked him if a shortage of dollars or other Western currency were a contributing factor on import restrictions to an extent of resulting shortages being an important cause of the present high price level. He did not think so saying that despite import restrictions shortages really did not exist and that coffee was the only product now rationed in Finland. He had previously told me that the sterling shortage had resulted in wool purchases being curtailed to a point where he feared processing operations in Finland would have to be reduced in that industry thus contributing to unemployment. He indicated in today's conversation that a somewhat better sterling position now prevailing was making it possible to purchase sufficient wool so that he did not now look for shutdowns in this industry.

Making it entirely clear that I was talking on a hypothetical basis and that he should not interpret my remarks to mean that we could do one thing or another, although I made it very clear that we were very sympathetic to their problems, I asked if in his opinion his Government would feel it were politically feasible to accept American economic assistance on a grant basis. He pondered this for a moment and then replied, stressing that he was talking personally, that in his judgment the Government could not accept grant aid. He said what he thought could be accepted would be credits at a very low interest rate with the beginning of amortization payments put off for say 20 years. He thought it would be necessary, if anything like this were to be done for it to be "in some such manner as I have just indicated".

I then asked if he thought politically it would be possible for Finland to join the EPU or the OEEC. He said while he thought it would be necessary for his Government to study very carefully just what the participation of the U.S. now was in these agencies that he thought it might be possible provided the U.S. was not now contributing financially to these organizations. He volunteered, however, the statement it would be disastrous for Finland to take such a step at this time or in fact until their general price level had been stabilized on a lower basis. He said now with high Finnish prices under the trade liberalization schemes everybody would be concentrating on selling in Finland and under such circumstances it would be bad for Finland to join as they would be buying at high prices and selling at low prices and thus possibly running into serious debt.

The Minister seemed rather skeptical of the Russian loan offer. He said while he had been in charge of these matters and again for political purposes the Russians had on one previous occasion offered a loan, that time in the amount of $5 million, the repayment date had turned out to be one year. The Finns, therefore, feeling they could not refuse this generosity had accepted the loan but had immediately placed it aside for repayment purposes and had repaid it as soon as they could politely do so. In other words, it had been no benefit whatsoever to Finland. He said, however, that he could see that it might be useful for Finland to accept another loan if this meant they could get a percentage of their exports paid for in Western currency. He said he understood the offer had been 10% and this might mean the equivalent of $12 million per year. He in no sense challenged the implications of my observations to the effect that entering into a loan arrangement was at best a dubious and perhaps a dangerous step for Finland to take.

Finally, I referred to the question of devaluation saying I had not asked Mr. Tuomioja about this as it was always a delicate subject to raise. The Minister said that he was under what amounted to standing instructions to deny in the most vigorous terms that devaluation was a possibility. He added personally, however, that he knew it was a matter which had been studied by the Bank of Finland and other Finnish authorities and no doubt would continue to be so studied. The Minister said as he understood the situation it was something the Finnish authorities would regard as a last resort measure should the situation be serious enough to make it necessary. He felt the Finns would want to try other measures such as political steps to reduce costs before coming to this.

G.H.R.

No. 417

S/S-NSC files, lot 63 D 351, NSC 5403 Series

Statement of Policy Proposed by the National Security Council[1]

TOP SECRET
NSC 5403

WASHINGTON, January 12, 1954.

[1]Attached to the source text were a cover sheet and a memorandum by the Executive Secretary of the NSC, James S. Lay, Jr., which stated that the statement of policy had been prepared by the NSC Planning Board after study of proposals by the Foreign Operations Administration. The statement of policy was adopted by the NSC at its 181st meeting on Jan. 21 and approved by President Eisenhower on Jan. 25.

Continued

U.S. Policy Toward Finland

GENERAL CONSIDERATIONS

1. Finland is a land buffer against invasion of the Scandinavian peninsula from the USSR; dominates the northern Baltic areas, and is on the direct air approaches to Northern USSR. As long as Finland remains neutral it makes an important contribution to the defense of Northern Europe by denying to the Soviets valuable positions for advanced air defense and early warning installations, and additional naval bases for operations in the Baltic. Finland's freedom of action is drastically reduced by its proximity to Soviet power and by various post-war treaties. However, since World War II Finland has successfully maintained a delicate position between East and West. Particularly in view of Finland's past record as an example of resistance to Soviet domination, it is important to the United States that Finland continue to maintain this position and avoid Communist subversion and further concessions to the USSR. In its policy toward Finland, the United States must avoid any steps which would threaten the delicate balance of Finnish- Soviet relations and call forth drastic Soviet measures inimical to Finnish independence.

2. Although the Communists are strong in Finland and control 22% of the Parliament seats, most Finns are intensely anti-Soviet and pro-Western. Since 1948 the Communists have had no place in the Government, and there is little likelihood of their taking over Finland by coup or through participation in the government. It is highly unlikely that the USSR would invade Finland as a cold war move, but it is possible that the USSR might use or be moved by some development such as West German rearmament to step up direct pressures on Finland for additional bases, radar sites, or other concessions. While the Finns would resist such pressures, they would probably eventually yield to such demands as did not seriously impair their independence.

3. In the event of general war it is estimated that Finland will attempt to remain neutral. She will not willingly give the USSR any military assistance, and will try to avoid giving permission for Soviet troops to move into Finland. The political temper of the Finnish people is such that a Soviet attack would almost certainly

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Discussion of a separate NSC paper on Finland had begun in the fall of 1953 with the submission of a draft paper by the Foreign Operations Administration. (Undated paper transmitted to Secretary Dulles on Oct. 22; 860E.00/10–2253) Subsequent revisions by the Legation in Helsinki and offices in the Department of State produced a paper which was submitted to the NSC Planning Board for final drafting. Copies of the comments on the FOA draft are in file 860E.00 and EUR files, lot 59 D 233, "Subject I."

meet armed resistance. Such resistance could delay, though only briefly, Soviet invasion of the country. Subsequently, Soviet occupation forces would almost certainly be subjected to determined and intensive guerrilla warfare, in which the Finns excel.

4. For the present, U.S. concern centers on the extent of Finnish trade with the Soviet Bloc and Finland's internal economic difficulties. About one-fifth of the Finnish national product goes into exports, which largely determine the level of domestic economic activity. Since 1951 the drop in world demand and particularly in the world market price for forest products, Finland's principal export, has caused a marked decline in Finnish earnings from the West, although dollar earnings have remained fairly stable. This decline and the slight increase in Finnish-Soviet Bloc trade has increased the Soviet Bloc share of total Finnish exports from 20% in 1950 (which then included reparations deliveries) to 32% in 1953. The changes made in Finnish industry which permitted completion of reparations deliveries in 1952, account in part for this increase in Russo-Finnish trade. The Finnish-Soviet Trade Agreement signed November 25, 1953 indicates that the 1954 percentage is likely to fall slightly. Furthermore, the trade agreement signed with the British December 23, 1953 provides for an increase of Finnish exports to the UK. In general, the Finnish trade situation is a bit better than six months ago. The Finns are very alert to the dangers of increased Soviet trade and are seeking to retain their trade ties with the West. While economic pressures alone are unlikely to cause Finland to grant unacceptable concessions to the USSR over the next year, there is real cause for U.S. concern that a long-contained high proportion of Soviet bloc participation in Finland's foreign trade might give the USSR far greater leverage on Finland.

5. Because of the decline in Finland's exports to the West, unemployment this winter is expected to reach 70,000 which, although only 4% of the labor force, would be a post-war high for Finland. High-cost production is the primary cause for Finland's inability to compete in Western markets. Over the past several years Finland's major political parties have been unable to agree on any effective remedies, such as wage and cost reduction or currency devaluation, and it is uncertain whether the March 1954 elections will produce a Government able to take drastic measures.

6. Although Finland's problems are not of crisis proportions and will probably be somewhat alleviated during the coming year, they are serious enough to warrant appropriate measures by the United States and other Western nations to assist Finland in increasing its trade with the West and in solving its underlying cost and efficiency problems. However, Finland's fundamental economic problem,

high costs, is not one for which dollars or foreign exchange is the cure.

7. Possible U.S. economic assistance to Finland must be considered in the light of the Battle Act. It would not be politically or economically feasible to seek cessation of Finnish deliveries of certain strategic goods to the Soviet Union, partly because of long-term trade agreement commitments running through 1955. Therefore, any economic assistance must be preceded by a finding that the Battle Act is inapplicable to the economic assistance in the particular form given or by a waiver of Battle Act requirements. Furthermore, it is unlikely that political considerations would permit the Finns to accept direct grant assistance.

OBJECTIVE

8. Continuance of an independent, economically healthy, and democratic Finland, basically oriented to the West (but with no attempt to incorporate Finland in a Western coalition), neither subject to undue reliance on Soviet Bloc trade nor vulnerable to Soviet economic pressures.

COURSES OF ACTION

9. Be prepared, at Finnish request, to make available limited economic assistance to Finland, if required to achieve the foregoing objective, including, if necessary, seeking a waiver of Battle Act requirements.

10. Continue to support Finnish requests to the International Bank for sound loans to meet investment and development requirements.

11. Support Finnish initiative, if it develops, to become a member of the European Payments Union, and if necessary, contribute towards an initial credit for Finland in the European Payments Union.

12. Seek to stimulate the import of Finnish products by the West, particularly the U.S., the United Kingdom and Western Germany.

13. In various administrative actions, including those involved in U.S. procurement programs, aid to other countries, and import regulations, take into account the desirability of facilitating Finnish exports and dollar earnings.

14. Encourage the Finnish Government to take the necessary internal measures to put the Finnish economy on a sound basis.

. . . . . .

16. Although a careful case-by-case review should be made in order to minimize any contribution which U.S. exports to Finland

might make to the Eastward flow of strategic items from Finland, continue to export available materials which are necessary to Finland's economy.

. . . . . .

18. Keep the situation with regard to Finland under careful scrutiny in an effort to anticipate any further Soviet moves which might jeopardize Finland's independence.[2]

FINANCIAL APPENDIX

If it is determined that U.S. economic assistance to Finland is required, it is believed that the assistance involved would not exceed $20 million in the period through FY 1955. This figure is not based on any real calculation but is suggested merely to indicate the likely order of magnitude. Any such expenditure is not expected to require additional appropriations.

[2]In the course of its discussion on Jan. 21 the NSC also adopted an Annex to NSC 5403 which detailed the various aspects of Finnish trade and contained five tables on economic and financial conditions in the country. A copy of this 18-page paper is in S/S-NSC files, lot 63 D 351, NSC 5403 Series.

No. 418

760E.56/12-2854

The Counselor of Embassy in Finland (Morgan) to Marselis C. Parsons, Jr., of the Office of British Commonwealth and Northern European Affairs[1]

TOP SECRET
OFFICIAL–INFORMAL

HELSINKI, December 28, 1954.

DEAR PARDY: It appears that the Chief of the Finnish Military Intelligence Service made a covert visit to the United States to see whether the United States Government considered that there was any basic reason why the Finns should not take up through more formal channels the question of the procurement of a few trainer jet aircraft. The Finns did not desire to make an approach through more formal channels, involving a wider range of Finnish officials, without finding out first whether such an approach would in any case be useless. Now that the Finns have apparently been advised in Washington that consideration of such a proposal is not ex-

[1]The Legation in Helsinki was raised to the status of an Embassy on Sept. 10, 1954.

cluded, they may approach us again and if so will do so through Embassy channels.

The Finns are entirely aware of the uneconomic aspects of plane production in Finland but as we understand it their desire nevertheless to produce a few planes in Finland is an idea of the Commander in Chief of the Armed Forces, General Heiskanen, who desires thereby to put himself in a position where he can claim in the face of possible Russian pressure that Finland has no need of Russian assistance but is building up its own stock of planes of various types as part of a program for developing a general defense position requiring no support or guidance from outside.

As for purchases from the Swedes, I think it should be realized at home that the Finns in general are not notably fond of the Swedes and are little disposed to think of them as friends in time of need. Not only do the military here take a dim view of what they consider the shabby attitude of the Swedes during the Winter War but they do not consider that the attitude of the Swedes has been co-operative or straightforward since that time. A Finnish request to purchase jet planes from the Swedes some time ago was turned down. Subsequently the Finns got a few planes from the British instead. The Swedes thereupon offered some planes to the Finns, but these planes turned out on examination to be such worn-out junk that the Finns were annoyed rather than pleased by this approach. In the circumstances the Finns are inclined to think that a build-up of Finnish armed strength is of less interest to the Swedes than the Swedish desire to keep Finland as neutral as possible. Finnish defense personnel, therefore, prefer to leave the Swedes out of the picture and seek what matériel they need from England, France, the United States, etc.

For your further information, our own Department of the Army has recently supplied the Finnish defense forces with examples of recoil-less anti-tank weapons for study and practice in return for data on the results of their experimental use in Finnish winter conditions. A shipment was received some weeks ago and we understand a second shipment is due shortly. I learned of this because the Army Department blandly consigned the shipment to the Army Attaché, using an ordinary bill of lading sent through commercial channels just as if they were sending books or groceries. In the normal course, the Embassy would have to ask the Foreign Office for the customs free release of such a shipment. I advised the Army Attaché, however, that I did not desire the Embassy and Foreign Office to get into this affair and suggested to him that he ask the Finnish Defense Department to use its own resources to obtain possession of the weapons. This was duly done.

With regard to Russian planes and radar our latest information is that the question remains in suspense. The military here are still opposed to Finnish purchase of Russian equipment and are still stalling while looking around for what they can get elsewhere. In addition to the approach in regard to planes, which is subject your letter,[2] we understand the Finns have openly approached Dutch, British, French, German and Italian firms recently in regard to price and availability of radar. We hear also that in response to the Finns' inquiry of the American firm of "Gilfillin", the Finns were rather rudely informed that there was no point in discussing the matter since the State Department would not permit shipments to such a country as Finland. In the meantime the Finns are carrying on with their own home-made radar, but we hear the efficiency of the local radar under cloudy conditions is not high.

Sincerely yours,

JACK MORGAN

[2]Not further identified.

GREECE[1]

UNITED STATES CONCERN WITH GREEK POLITICAL, ECONOMIC, AND MILITARY AFFAIRS; NEGOTIATION OF A MILITARY FACILITIES AGREEMENT BETWEEN THE UNITED STATES AND GREECE; UNITED STATES ASSISTANCE TO GREECE; OFFER OF ADDITIONAL GREEK ARMED FORCES FOR THE UNITED NATIONS COMMAND IN KOREA; VISIT OF THE KING AND QUEEN OF GREECE TO THE UNITED STATES

No. 419

781.00/2-752: Telegram

The Chargé in Greece (Yost) to the Department of State

SECRET ATHENS, February 7, 1952—5 p.m.

3613. Fol is substance of conversation with Venizelos today.

In response to his query as to our views of polit situation, I replied we are frankly losing confidence in ability present govt to provide necessary stability in mil, econ and security fields, and outlined principal causes our dissatisfaction. Venizelos declared he also deeply dissatisfied but doubtful what to do. He was very apprehensive elections under majority system since his friends wld desert him if he collaborated with Papagos and he himself had not collaborated with Plastiras. He would therefore probably be obliged to abstain. We referred to possibility Rally-Lib coalition without elections. He said he personally wld not be averse to such coalition and felt after his last conversation with Papagos marshal might also agree. However, public must be offered some reasonable excuse for overthrow of govt and he did not consider excuse yet exists. He is most reluctant confirm his reputation as "destroyer of govts.". . .

We replied we recognize these dangers and were not attempting to precipitate matters but were deeply disturbed by developments in three above-mentioned fields and feared moreover that, if affairs were allowed to drift too long, further incidents might arise which wld make understanding between Libs and Rally extremely difficult or impossible. We therefore urged he continue his conversations with Rally and arrive at understanding which might be im-

[1]For previous documentation on this subject, see *Foreign Relations*, 1951, vol. v, pp. 445 ff.

plemented when favorable occasion arose. Venizelos agreed and said he intended meet Papagos within next few days. He added however, that if ratifications completed in time, he felt he must as For Min attend Lisbon NATO mtg since it will be first for Greece.

(Though Venizelos saw King yesterday, we are not certain whether favorable attitude toward coalition with Rally has King's blessing or is merely his own preference which he wld abandon under pressure. King met Papagos secretly last night and we expect be able tomorrow to report outcome conversation.)[1] Re Kitrilakis, Venizelos he stated usual story about involvement with IDEA and hostility brother officers and we replied as we had to King and Sakellariou. Venizelos said wld be extremely difficult restore to former position or send to NATO officer who had lost confidence of colleagues. He suggested possible compromise might be to remove both Kitrilakis and Tsakalotos from present commands and send latter to NATO. We replied this might be considered but emphasized we felt some significant post must also be found for Kitrilakis.

We shall discuss this last suggestion with Gen Hart and submit our views tomorrow.[2] It is probable Grks exaggerate importance their mil rep to NATO and wish have politically trustworthy character in this spot. From our point of view it might be convenient means easing Tsakalotos out of present position. However, it is not yet clear whether King has approved this suggestion.

YOST

[1]According to Markezinis, in meeting with the King on Feb. 6, Papagos proposed immediate elections based on a majority system. Papagos stated he had offered the Liberals collaboration in the elections, leaving open the possibility of a Rally-Liberal coalition without elections if Venizelos first headed a transitional one-party government supported by the Rally. The King did not commit himself on these proposals, but reportedly was pleased with the conversation. (Telegram 3649 from Athens, Feb. 8; 781.00/2–852)

[2]Telegram 3660 from Athens, Feb. 9, reported that General Hart and the Embassy were inclined to believe that if the government actually proposed to send Tsakalotos to the North Atlantic Treaty Organization, "we shld seize opportunity to get him out of [the Greek] Gen Staff provided (1) his replacement is satisfactory and (2) some soporific post is found for Kitrilakis." (781.00/2–952)

No. 420

Secretary's Memoranda of Conversation, lot 65 D 238, "Memoranda from S & U, 1952"

Memorandum by the Secretary of State to the Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) [1]

SECRET [WASHINGTON,] February 8, 1952.

After the Cabinet today the President mentioned to me that we had had reports from Greece (I gathered that these came through CIA)[2] of intrigues by the Palace against General Papagos. These were disturbing both on account of the effect of them upon the possibility of establishing a stable government in Greece and by reason of their effect on the Army. I said that we had had similar reports through the Embassy at Athens[3] and that I had talked with Ambassador Peurifoy,[4] who believed that we should use our influence to bring about the inclusion of General Papagos along with Mr. Venizelos in the Government, and possibly new elections with the King using the power granted him by the parliament to have elections continued on a majority voting system.

The President said that he was glad we were giving this matter close attention and asked that he be kept in touch with it.

I mentioned to the President the fact that Ambassador Peurifoy had said to me that if he were empowered to use the possibility of a visit by the King and Queen to this country, it might be helpful in obtaining the results indicated above. The President said that if we wished to develop this idea further, he would be glad to discuss it, but did not commit himself in any way either for or against the idea.

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[1]Copies of this memorandum were transmitted to William J. McWilliams (S/S) and Matthews.

[2]For example, there was the memorandum, "Report of Deterioration of American Position in Greece," Jan. 9, by Wisner (CIA) to Armstrong. (611.81/1-952)

[3]See telegram 3613, *supra*.

[4]Peurifoy was in Washington for one month on consultations beginning the latter part of January. An assessment and suggestions regarding the Greek political situation evolved by Department officials in consultations with Peurifoy after review of Embassy reports, was transmitted in telegram 3603 to Athens, Jan. 30. (781.00/1-3052) No record of a conversation with Acheson has been found in Department of State files.

No. 421

781.11/2-1552

Memorandum of Conversation, by the Special Assistant to the Secretary of State (Battle)[1]

CONFIDENTIAL [LONDON,] February 15, 1952.

Participants: King Paul of Greece
Secretary Acheson
Ambassador Gifford

The Secretary called yesterday on King Paul of Greece at the King's request. After the appointment, the Secretary told me among other matters, the King mentioned the question of a visit by him and the Queen to the United States. The King said he had talked to Ambassador Peurifoy about his desire to come,[2] and Peurifoy had shown great interest in this.

The King said that he could see that with Queen Juliana[3] coming, the President might be into an election period in which a visit by the King and Queen might be embarrassing. He said he understood the situation perfectly and it would not make too much difference to him if the visit were not forthcoming.

The Secretary said that Mr. Peurifoy had spoken to him and that the Secretary was also very much interested in this possible visit. He said he hoped when the visit actually came about, it would be under the most favorable circumstances. He said it was true that Queen Juliana was coming and that we would probably have a visit from one of the Latin American countries also. He said that we would then be in the campaign period, and he was sure the King would not want any impression to get around that his visit had any political connotations. The Secretary said that we were still studying the matter, but he gave every indication that an invitation would not be extended.

The King repeated that he was not deeply concerned and that he understood perfectly.

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[1]A copy was transmitted to Matthews. Acheson was in London for the Foreign Ministers meetings, Feb. 13–19; for documentation, see vol. v, Part 1, pp. 36 ff. King Paul was in London for the funeral of King George VI on Feb. 15, which Acheson attended as personal representative of the President. A briefing memorandum, Feb. 12, by Ruddock, on the meeting with King Paul is in file 781.11/2–1252.

[2]A report of Peurifoy's audience with the King on Jan. 11, at which King Paul opened and closed on the same theme, his hope of visiting the United States in 1952, was transmitted in telegram 3122 from Athens, Jan. 11. (781.11/1–1152)

[3]Queen Juliana of the Netherlands.

No. 422

781.00/2-2352

Memorandum of Conversation, by the Secretary of State[1]

SECRET LISBON, February 23, 1952.

Subject: Current Greek Political Situation; NATO Command Regarding Greece; and NATO Headquarters Location.

Participants: M. Sophocles Venizelos, Greek Deputy Prime Minister, Foreign Minister and head of Greek Delegation to NATO;
Mr. Michael Melas, member, Greek Delegation to NATO; and
The Secretary;
Mr. Dorsz, GTI.

Venizelos called on me today and said he wanted to discuss two NATO questions, i.e., command and location of NATO headquarters, and also the current Greek political situation.

On the command, Venizelos said he was disturbed because he understood that the Italians were still pursuing the question of getting an Italian designated as deputy to Admiral Carney. In this intermediary role the Italian Deputy would be directly over the Greek and Turkish land and air forces. He feared Italian pursuance of this issue would adversely affect Italy's relations with Greece. He therefore thought that establishing two deputies under Carney would solve the problem: an Italian over the Italian forces, and an American over Greek and Turkish forces.

I told Venizelos that I knew the Italians had suggested creating a position for an Italian to serve as deputy to Admiral Carney. Admiral Carney, however, had turned it down and the suggestion did not find favor outside of Italian quarters. I would, however, speak to General Bradley and tell him about the Greek fears.

As regards the location of the headquarters for NATO, Venizelos said it was a very embarrassing matter for a small country such as Greece to take a definitive position before the major countries worked out a mutually agreeable solution. The Greeks wanted to cooperate with all of the NATO countries. He, therefore, wondered whether a possible solution might be the following: United States retain the Standing Group; Paris serve as NATO headquarters; and a British national serve as Secretary General.

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[1]Drafted by Dorsz. The source text is the copy transmitted to Athens. The participants were in Lisbon for the Ninth Session of the North Atlantic Council, Feb. 20–25; see vol. v, Part 1, pp. 107 ff. A briefing memorandum, Feb. 21, by Dorsz to Acheson, on the "Prospective Call of Head of Greek Delegation," is in file 781.00/2-2152.

I told Venizelos that I had talked several times with Mr. Eden on the NATO reorganization problem. Currently only two questions were still unsettled, i.e., the name of the Secretary General and the location of the headquarters. We considered it impossible to split the functions of the organization. I was, however, hopeful that we could find a solution, even though it appeared that these particular points may have to come before the NAC for decision.

On the political crisis in Greece, Venizelos mentioned that he was principally responsible for putting into effect the modified proportional electoral system which resulted last Spring in the election of three main parties, instead of the customary 15 or so small parties under the previous electoral systems. His Liberal party, while smallest of the three, feels it can work with the other two. By inclination, however, his party is nearer to that of Marshal Plastiras than that of Marshal Papagos. Venizelos had been willing to join in a three party coalition, but Papagos had shown no disposition to accept this formula. Instead, he was campaigning for new and early elections. Further, rumors were current in Greece to the effect that the United States Government approved the Papagos program. This tended to increase instability in Greece. For his part, he was not satisfied with the effectiveness of the present government. However, if new elections were undertaken a serious rift would occur and a more unfortunate situation would result. The Liberals would have to merge with one of the two main parties. Up to the present, the Liberals were able to keep EPEK from going too far to the left. If the Liberals withdraw from association with EPEK, the country might drift further left. Further, if the Liberals joined with Papagos, the general impression would be that the government was reactionary and Greece would find itself in the same position as in 1946 when the right wing took over and Liberal ideas were suppressed. At that time, Henderson[2] persuaded him to step into the breach and form a government for the purpose of trying to heal the wounds.

For the reasons he gave, Venizelos said he hoped the United States Government would not give the impression that it favored Papagos. So long as this impression lasts, Papagos' attitude would be stiffened. If we indicated that we were not favoring any particular side, Venizelos implied that everything would be all right.

In commenting on Venizelos' special plea, I said that we wanted to see as broad a government as possible in Greece and that some of our people thought that a coalition between Papagos and the Liberals might be the answer. I would get in touch with Ambassa-

[2]Loy W. Henderson, Director of the Office of Near Eastern and African Affairs, 1945–1948.

dor Peurifoy, letting him know of our conversation and would seek his views and recommendations in the matter.[3]

I myself raised with Venizelos two questions: (*a*) Greek political interference in the high command of the Greek armed forces, ...

. . . . . .

Before the meeting broke up, I reiterated my hope that Venizelos would be able to do something on the two points which had been worrying us so much lately.

[3]No record of an effort by Acheson to seek Peurifoy's views and recommendations on this matter has been found in Department of State files.

No. 423

781.5 MSP/3-652

Memorandum by the Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) to the Secretary of State[1]

SECRET [WASHINGTON,] March 6, 1952.

Subject: Ambassador Peurifoy's Telegram No. 3980, March 5[2]

In his personal telegram to you, Ambassador Peurifoy reported his concern over an apparently basic disagreement which exists between Athens and MSA/Washington regarding the current Greek aid program. You may be interested in the following background:

As Ambassador Peurifoy indicated, the main problem lies in the determination of the extent to which policies designed to attain "economic stability" will be implemented regardless of their adverse effect upon other American goals in Greece, particularly the extent to which development projects must be sacrificed in order to conserve expenditures of Greek drachmae. The lack of agreement upon this point has resulted in failure by MSA/Washington to release counterpart funds in adequate quantities and in sufficient time to prevent disruption of a number of projects now being carried out by the Greek mission.

This matter has been discussed on a continuing basis by Departmental representatives with MSA/Washington. Ambassador Peurifoy, during his recent visit, also pursued the subject with appropri-

[1]Drafted by Rountree and routed to the Secretary of State through S/S and G; initialed by Acheson.

[2]Not printed. (781.5 MSP/3-552)

ate MSA officials including Mr. Kenney. It was agreed at that time that an inter-Departmental group would be dispatched to Greece to survey the economic situation and to recommend policies which should be pursued in light of all pertinent considerations. Unfortunately, several individuals who were considered by MSA to head the group have declined, but it is hoped that someone will be appointed within the next few days. It is expected that the Department will designate an official to join the group. As yet, however, no such individual has been chosen since the terms of reference of the group have not yet been agreed upon within MSA or discussed with the Department. It is expected that this will be done in the very near future, and in the meantime Mr. Kenney has dispatched a telegram to Athens informing our people there that the group will be forthcoming as soon as possible.[3]

Pending the arrival in Athens of the group and the results of its survey, I am informed that it has now been agreed within MSA to meet the immediate problem of counterpart releases in the following manner: 50 billion drachmae will be released immediately for current obligations, and MSA will consent to the automatic release of a total of 300 billion drachmae for the period January 1 to June 30. These releases will be authorized in accordance with any schedule recommended by Athens. For the time being, pending the outcome of the special group, the amount of 300 billion drachmae will be regarded as the maximum which can be released unless progress upon the counter-inflationary program is later considered to warrant an increase.

In effect, this arrangement would provide the Greek mission with latitude for counterpart releases to meet minimal needs until there has been sufficient time for a total review by the Greek mission of United States economic policy objectives in Greece and the manner of attaining them. I believe that this should be found satisfactory to Ambassador Peurifoy. It is understood that a telegram outlining this plan will be dispatched by MSA to Athens, probably today, after appropriate clearance with agencies represented in the NAC.

I do not believe it necessary at this juncture for you personally to discuss the matter with Mr. Kenney, but if there are any major problems concerning the interim financial arrangements or concerning the terms of reference of the special group to be sent to Athens, NEA may recommend at a later date that you do so.

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[3]Not further identified.

A telegram to Ambassador Peurifoy will be drafted as soon as the position of MSA/Washington concerning counterpart releases has been formalized.[4]

[4]*Infra.*

No. 424

781.5 MSP/3-552: Telegram

The Secretary of State to the Embassy in Greece[1]

SECRET WASHINGTON, March 12, 1952—3:52 p. m.

4266. Dept fully shares ur views concerning necessity establishing policy agreed by all agencies concerned upon Grk econ program, including targets in anti-inflationary drive (Embtel 3980, Mar 5).[2] Recognize that lack of agreement cannot fail have very adverse effect upon attainment US objectives in Greece.

Dept believes desp to Greece of interdepartmental group discussed by you with Kenny can serve extremely useful purpose in bringing about such an agreement, and hopes it can be sent in near future. Expected Dept Rep will be included. Meanwhile, however, essential current policies not unduly impede minimal operations in Greece. MSA's Musto 234[3] authorizes immed release fifty billion drachmae for purpose of mtg unpaid obligations already incurred, and establishes three hundred billion drachma program for total releases Jan 1 to June 30. Auth will be given for releases pursuant any sched recommended by MSA Greece, subj conditions (a) and (b) para 5 of tel. Effect of this will be to break present impasse upon releases, and will provide some flexibility in planning for immed future.

Wld appreciate ur advice soonest re effect which this arrangement will have upon Mission planning, and whether it is acceptable at least as an interim arrangement pending results of survey group. If in ur considered judgment arrangement, even on interim basis pending survey group, wld be detrimental to US interests Dept prepared discuss with MSA such alternatives as are deemed essential in light of all pertinent factors, including essentiality of realistic approach to problem of econ stability.

ACHESON

[1]Drafted by Rountree, cleared with Berry, and signed by Acheson.

[2]Telegram 3980 reported that Lapham had considered resigning because of MSA policy of financial compression, reducing the counterpart fund program to 300 billion drachmas for January to June. (781.5 MSP/3-1152)

[3]Not found in MSA files.

No. 425

781.00/3–1752: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State

SECRET ATHENS, March 17, 1952—5 p. m.

4149. As Dept is aware pro-Govt press is bitterly attacking Americans for our statement of last week[1] and all those who favored return to proportional representations system are accusing us of unwarranted intervention. Venizelos told me yesterday he collaborated in preparation Plastiras statement favoring majority system[2] and that there was never any intention of presenting proportional system draft law to Parl without first consulting me.

Despite these claims we shld like to reiterate our conviction that Venizelos, Rendis and Palace had determined to rush through proportional representation law within next few days, that they probably had votes to do so and that *fait accompli* was avoided only through (1) Iosif getting to Plastiras and (2) issuance of Emb statement. It is possible former alone wld have sufficed but in view extreme pressure being exerted on PriMin and precarious state his health he might have yielded at any moment and placed us in position either of seeing law enacted or of coming out publicly under much less favorable circumstances. As for Venizelos there is no question he instructed Rendis to prepare draft law with view to its immed introduction in Parl, in spite of fact we had again and again over many months made known to him our strong feelings re return to proportional system. Although Palace will probably not give up struggle we feel chances of getting such law through Parl now very slim and issue probably dead for time being.

As to question of intervention we have warned all our Grk friends many times in past that issue of electoral system so critical to effectiveness entire US aid program we wld be obliged to state our position publicly if need arose. As relations with Plastiras, Kartalis and Havinis[3] during past few months indicate we may expect henceforth as memory of civil war fades and Grk recovery proceeds that resentment at US controls will increase and accusations of intervention multiply. Emb is keenly aware of this natural trend and will endeavor to see to it that our interference is limited to indispensable minimum and carried out as discreetly and inconspicuously as possible. Nevertheless we are sure that Dept and MSA will

[1]Transmitted in telegram 4108 from Athens, Mar. 14. (781.00/3–1452)
[2]This statement was also transmitted in telegram 4108 from Athens.
[3]Theodore Havinis, Minister of Public Works.

agree that there are times when our intervention in the interest of US policy and the US taxpayer must be prompt, firm and decisive.

PEURIFOY

No. 426

881.10/3-3152

Memorandum by the Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) to the Secretary of State[1]

TOP SECRET
SPECIAL HANDLING

[WASHINGTON,] March 31, 1952.

Subject: Greek Currency

The following is background upon a problem which I understand Mr. Matthews will discuss with you today,[2] and concerning which he will propose that you talk with Mr. Harriman:

As you may know, there has been sharp disagreement between Athens and MSA/W concerning the implementation of a counter-inflationary program in Greece. Since the problems involved in determining the proper course of United States policy in this regard are so complex, we have encouraged the dispatch to Greece of a special MSA mission to study the matter and decide what should be done. A group headed by Mr. Sam Welldon, Chairman of the First National Bank of New York, is leaving for Greece on or about April 2. By mutual agreement between MSA/W and the Department, an officer of GTI will be included in the mission.

Although MSA/W, particularly the officers of that agency who will go on the mission to Greece, is known strongly to favor Greek currency reform, our discussions with Mr. Kenney[3] have led us to understand that this question will not be prejudged but will be considered in light of the political, economic, psychological and other factors involved and in light of the attitude of the Greek Government. In discussing the terms of reference of the group with Mr. Kenney, Mr. Rountree emphasized the importance in his judgment that no prior decision be made upon this matter since it is impossible at this distance to evaluate the feasibility and implications of

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[1] Drafted by Rountree and transmitted through Matthews and Cowen. It bears the handwritten notation: "Ret'd by Sec. after action taken."

[2] No record of a conversation on this subject by Acheson and Matthews on Mar. 31 has been found in Department of State files.

[3] No record of the discussions between Berry and Kenney has been found in Department of State files.

such a step. It was understood that draft terms of reference would be amended accordingly.[4]

Last Wednesday it was learned by chance that Mr. Tenenbaum,[5] a member of the proposed MSA mission, was departing the following day for London where he would place an order for the printing of a new Greek currency to be used if and when it is decided to institute a currency reform. Mr. Rountree therefore contacted Mr. Kenney and discussed the matter with him.

Mr. Kenney confirmed that Mr. Tenenbaum was going to London to place an order for new currency at a cost of approximately $300 thousand, since MSA felt this would be necessary in view of the time which would be required to print the bills.[6] He pointed out if we should wait until the decision is made there would be a two or three months delay before the currency would be available.

Mr. Rountree told Mr. Kenney that he was considerably disturbed over the implications of the United States placing the order and asked if the Greek Government was aware that this was being done. Mr. Kenney indicated that an official or officials of the Bank of Greece had "signed the requisite plate orders" but that very few people knew about it because of the requirement of absolute secrecy. From this and subsequent conversations with MSA people there appears to be considerable doubt that anyone in the Greek Government itself is aware of the fact that we intend to order the currency. While the Governor of the Bank of Greece undoubtedly has played some role in the matter, it is not clear to us that he knows that the United States is placing an order. In any event the Bank is not the Government itself.

As a second point, Mr. Rountree asked Mr. Kenney if this action would not tend to prejudge the question of whether there should be a re-issue of Greek currency and he said that it would not. Mr. Rountree emphasized again the hope this would not be the case as it was his understanding that this question would be determined in light of all considerations involved after the special mission arrives in Greece.

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[4]The terms of reference for the MSA delegation to Greece, Mar. 3, prepared in the Office of the Assistant Director for Europe (MSA), set a target date of 3 months after the delegation's arrival in Greece for implementation of currency reform. (Enclosure to the letter, Mar. 20, from Locker (MSA) to Rountree; 881.10/3–2052) The amended terms of reference called on the delegation and the MSA Mission in Athens to prepare and negotiate, if found necessary, currency reform "at the earliest possible time". (Attachment to copy of a letter, May 12, from Peurifoy to Kenney; Athens Embassy files, lot 59 F 48, 49–57)

[5]Possibly Edward A. Tenenbaum, Office of the Assistant Director for Europe, Mutual Security Agency.

[6]Kenney told Rountree: "that the action of proceeding with the order is pursuant to authority granted by the NAC two months ago". (Memorandum of conversation, Mar. 26, by Rountree; 881.10/3–2652)

It is believed this matter poses a very serious problem. If the plan is permitted to proceed, and if our understanding of the facts is correct, the United States would be in a position of placing an order for new Greek currency, even bearing a new name, without the specific knowledge of the Greek Government. Should this become known, the repercussions could be very serious. Since the prerogative of currency issue is very important to any sovereign state, the action might well be interpreted as intervention of a most blatant nature, and the repercussions could extend considerably beyond Greece.

The argument favoring our placing the order is that, should it later be decided to re-issue Greek currency, the time element would be extremely important and our failure to order now might jeopardize the effectiveness of the program; that the advantages are, in fact, worth the gamble that $300 thousand will be lost if it is later decided not to re-issue the currency. While this argument obviously has merit, it would appear most wise that the action be not taken without the knowledge and approval of at least the Greek Prime Minister, or acting Prime Minister, even though he probably should be asked not to disclose the matter to anyone else.

In view of the lack of consultation upon this matter we cannot be certain of the facts. However, because of the serious nature and delicacy of this question it is proposed that you discuss it with Mr. Harriman[7] as soon as possible so that we know what the situation and its implications are before the United States is committed. In the meantime, Mr. Matthews telephoned Mr. Tyler Wood[8] on Friday evening and requested that Mr. Tenenbaum be instructed to take no action in London pending further word. It was understood that such instruction would be sent.[9]

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[7]No record of a discussion by Acheson and Harriman on this question has been found in Department of State files.

[8]C. Tyler Wood, Associate Deputy Director of the Mutual Security Agency.

[9]Attached to the source text is a suggested message from Harriman to Kenney which concluded that the decision to order new Greek currency would await Kenney's discussions in Athens and approval by Mantzavinos and Peurifoy. It bears the handwritten notation that the Secretary approved, and the message was transmitted in telegram Musto 301, Apr. 2.

No. 427

781.5/5–1352: Telegram

The Ambassador in Italy (Bunker) to the Department of State[1]

TOP SECRET ROME, May 13, 1952—8 p. m.

4933. From Unger. Athens tel rptd Rome 122, May 10[2] and other message[3] re reduction Greek military expenditures brought Admiral Carney's attention. He has already transmitted his comments directly Amb Peurifoy via Navy channels; they are as follows:

"Not until I discussed them with him in Athens was I aware of Montgomery's views concerning reduction of Greek forces. Montgomery explained his views were based on his belief that any current economic improvement only reflects American subsidy, on the cheaper concept of mobilizing reserves, and a theory that Albania can be eliminated as a strategic threat pinning down Greek forces if Albanians are warned that any "dirty work" will result in their being blotted out by atomic bombs (he mentioned the number 50). Since I did not consider it appropriate to give him info concerning MSA, I did not discuss the subject in great detail. The views expressed by Montgomery do not stem from opinions held in this headquarters. As to whether Montgomery's statements reflect any opinion of Eisenhower with respect to Greece, I have no info, but inasmuch as Eisenhower has expressed no such thought to me I am inclined to doubt it and believe they are the views of Field Marshal the Viscount Montgomery of Alamein."

Admiral Carney also added following comments concerning his conversations last week in Athens with Greek Under Secretary for Defense Mavros.

"In our conversations he indicated that budgetary difficulties might result in reductions in military budget and sought my views as to where cuts, if necessary should be made. Without citing any specific programs and in general terms I told him any buildup program extending over two or more years must be carefully examined to prevent the inevitable loss which results from a change to reduction trend from buildup trend. Specifically Mavros asked how reduction to ground forces shld be done if such reduction became necessary. It was my opinion, I informed him, that organizational structure shld be maintained and that the reduction shld be made

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[1]Repeated for information to Athens and to Paris for MacArthur.

[2]In this telegram, the Embassy in Athens inquired whether remarks in Athens by Field Marshal Bernard L. Viscount Montgomery of Alamein, Deputy Supreme Allied Commander in Europe, on reducing Greek military expenditures were American-inspired or self-initiated. (781.5/5–1052)

[3]Reference is possibly to telegram 4830, May 10, repeated to Rome for Unger, in which the Embassy in Athens quoted portions of an address at a Greek Government dinner, May 9, by Montgomery on the need for Greece to examine the possibility of reducing defense spending. (781.5/5–1052)

by reducing percentage of personnel in the units while still retaining units in being and in position and accenting added mobilization requirements. I did not state that I wld have no objection to such reduction and confined my remarks to a general discussion as to right and wrong ways of effecting reductions in face of cuts in budget. It wld appear, based on estimates of satellite strengths, that present strength of Greek forces cld only be reduced on basis of a considerably greater calculated risk."

BUNKER

No. 428

Athens Embassy files, lot 59 F 48, 49–57

The Deputy Director of the Mutual Security Agency (Kenney) to the Ambassador in Greece (Peurifoy)[1]

TOP SECRET AND PERSONAL WASHINGTON, May 29, 1952.

DEAR JACK: I appreciate very much your letter of May 12, 1952,[2] and trust that you will forgive my delay in replying, but I wanted first to discuss with Mr. Welldon the matter of his report.[3] He has just returned and is working on his report which will be submitted in due course.

Preliminarily I will answer the points raised in your letter although I am sure they will be answered more fully in Welldon's report and, of course, you will have the opportunity to comment on such recommendations as may be contained in that report. The terms of reference which I showed you in Paris, a copy of which is enclosed for your information,[4] detailed the following three tasks to be performed by the Delegation:

a. To institute, wherever possible, and negotiate with respect to, measures necessary to achieve a program which has as its primary emphasis the elimination of inflationary pressures in preparation for a currency reform;

b. To prepare and negotiate, if found necessary, the implementation of a currency reform at the earliest possible time. The anti-inflationary program together with the currency reform, shall be designed to restore confidence in the monetary system of Greece, to induce the surrender of hoarded gold and foreign exchange to the monetary authorities, to restore an equitable distribution of income in Greece, to reduce Greece's balance-of-payments deficit substan-

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[1]The source text bears Peurifoy's handwritten notation that Turkel discussed this letter with Anschuetz and prepared a reply. No reply was found in Department of State files.

[2]Not printed. (Athens Embassy files, lot 59 F 48, 49–57)

[3]Not found in Department of State files.

[4]Not filed with the source text; see footnote 4, Document 426.

tially, and to restore conditions favoring the healthy growth of free enterprise in the country; and

c. To make recommendations with respect to the longer-term economic objectives of U.S. aid to Greece and with respect to the nature and level of economic activity in Greece.

I shall not delineate the steps which have been taken in connection with tasks (*a*) and (*b*) because I believe you or someone on your staff are aware of all action taken both by the Mission and by the Greek Government in the institution of the stabilization program. Further action in (b) will be developed as the situation itself develops and it is determined that such action is necessary in the light of progress. The fulfillment of task (*c*) raises a different problem. Following our discussion with Mr. Welldon it was the consensus of opinion that it would be impossible to make any recommendations with respect to the longer-term economic objectives of U.S. aid to Greece and the nature and level of economic activity in Greece until we had a clearer picture of the success of the current stabilization program. The present economic picture of Greece is so uncertain that there are no stable grounds on which to make any such recommendation. This does not mean that this aspect of the problem is to be overlooked but merely to be deferred until we can proceed on sounder ground. Also, as you are aware, the level of economic aid is a matter of continual study by the Mission and the staff in Washington so that there will be data available for Mr. Welldon and his Delegation when the time appears for the long-range evaluation.

During my meeting with Mr. Welldon we had an extended discussion as to the character of report that he should submit, not with any thought of directing the type of report but merely to obtain that which would be most beneficial to all of us. The report will detail action taken and in progress and will enumerate certain bench marks that can serve as guides of progress or warnings of deterioration. We should be on the alert for their appearance because certain of them will call for action and others for study. The group confined itself primarily to the financial aspects of the Greek economic problem because, as I told you when I was in Greece, I felt that it was our function to prepare a study purely economic in character and not diffused with political and military considerations. The political aspects are your responsibility and the military aspects are the responsibility of the Department of Defense. We recognize that political and military considerations may require action not justified on purely economic grounds. However, the basis for any particular action must be clear, and I do not think we add much to the military and political thinking if we

have confused these problems with our determination of the economic ones.

In connection with all this I would like to inquire about your cable of May 13, No. 4869,[5] because I have assumed that it carried no implications that under appropriate circumstances the military program might not be reviewed. As you know, I discussed with General Eisenhower our fears concerning the economic situation in Greece and our desire due to the military connotations to keep him informed of developments. At his suggestion Fred Anderson[6] and I had an extended discussion with Admiral Carney concerning the impact of the military program on the Greek economy, and he agreed that if our study indicated that the military program was exacting too heavy a toll from the Greek economy he would review it. This would imply two types of review, one, that the maximum military strength is obtained in the most economical manner, and, two, that the magnitude of the forces is in accordance with strategic plans and can be supported. Admiral Carney clearly understood that this was a responsibility of the military and one in which my Agency had no competency to make any determination. I believe General Anderson had some discussion with General Hart along these lines, but unfortunately, I was not present at their conference so do not know the exact tenor of it.

I quite agree with you that it is most desirous to maintain harmonious relations. With this thought in mind I have pulled the Greek communications out of normal channels so that important cables are seen by me and in some instances have been rewritten by me. Therefore, I am afraid that if there is any current condemnation it must be directed at me. Of course, one of our principal problems in Greece was to strengthen Roger's[7] hand and provide him with more competent personnel. To this end I have, at Roger's request, agreed to the transfer of Barrows as Deputy Chief and Tenenbaum as Economic Advisor. The creation of the Economic Policy Committee should be helpful as it will provide a forum for reviewing programs with an emphasis on overall results rather than individual projects.

I do appreciate the interest you have taken in my problems and hope that we are progressing on the way to solution.

With best wishes to Mrs. Peurifoy and with kindest personal regards, I remain,

Very sincerely yours, JOHN KENNEY

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[5]Telegram 4869 reported the Embassy's view that Montgomery's advocacy of retrenchment by Greece would "make resistance to Greek Govt's inevitable appeals for greater aid either through NATO or MSA infinitely more difficult." (781.5/5-1351)

[6]Frederick L. Anderson, U.S. Deputy Special Representative in Europe.

[7]Roger D. Lapham.

No. 429

781.5/7-552: Telegram

The Ambassador in France (Dunn) to the Department of State[1]

TOP SECRET PARIS, July 5, 1952—5 p. m.

137. From MacArthur. Greek DefMin Mavros visited SHAPE July 3 and 5 to call on Generals Gruenther and Ridgway respectively. Following is résumé of points he raised:

1. Greek defense budget Mavros had just completed calculating his defense budget to be presented to Greek Parliament in about three weeks. This calculation indicated if Greeks were to continue its ground forces at present level and undertake increased expenditures for air and navy (including work on airfields, naval ports and installations, etc.) it wld require 700 billion drachmae from other govt resources. Only place this could be picked up was from important reconstruction projects (hydroelectric, etc), and if work on such project came to halt, a serious economic and unemployment problem would be created for Greece. Also many reconstruction projects were in North Greece and halting work on them would have adverse psychological effect since might be interpreted as indication work stopped since Greece intended to abandon this area in event of aggression.

Mavros said considerable part of money was for common use facilities (infrastructure) particularly airfields and naval installations. To solve his problem of budget presentation to Greek Parliament he proposed include on credit side of budget an item of 10 million pounds sterling for infrastructure which he understood had been recommended by SHAPE for fourth slice infrastructure program. He wished to know whether SHAPE had any objection his doing this.

In reply he was told while SHAPE had made a recommendation for about 10 million pounds of infrastructure items in Greece, this had not been approved by Standing Group and would only become a firm figure when SG had approved and agreement had finally been reached by govts on sharing cost of fourth slice. Furthermore, SHAPE could not answer Mavros question since its role consisted in establishing requirements for infrastructure and not in getting

[1]Repeated to Rome for Unger, Belgrade, Athens, and Ankara.

into any phase—national or international—refinancing or budgeting for them. It was pointed out to Mavros, however, that Greece wld be expected to contrib to common infrastructure so that what it might receive would not, of course, be a net contribution.

2. Mavros then brought up question of location of CP for Admiral Carney's subord command or who would exercise control over Greek sector of southern command. He said Greek Govt believed CP shld be in Greece since this would eventually enable it to tie in with Yugo. In reply he was told that decision of location of CP could be made only after SG had approved General Ridgway's recommendation on organization of southern command which was now being studied by SG and after receipt recommendations by Admiral Carney. Also question communications facilities was of tremendous importance. No commitment could be made by SHAPE as to location of CP, but regardless of where it was located, hope was expressed that Greeks and Turks would not engage in polemics.

3. Yugo. Mavros said relations with Yugo improving daily. Greek Military Attaché at Belgrade now had excellent and close relations with Yugo military and recently Yugos Chief of Staff had indicated Military Attaché was free to visit any military installations he desired. Yugo Ambassador to Athens had also indicated clearly desire for closer relations. Thus far Greek-Yugo military discussions had consisted largely of an intelligence evaluation re Bulg. However, it was hoped this would eventually develop into some form of contingent military planning. Mavros expressed belief Greeks now had closer military contacts with Yugos than had any other power. He said US Embassy Athens is being fully informed of discussions with Yugos and Greeks hoped at appropriate moment US would join in with Greeks in talks with Yugos. Mavros believed Tito would go slowly with military talks with other Western Powers and would first wish to develop closer contacts with Greeks and then Turks. He stressed that eventual knowledge and coordination of Greek and Yugo plans was essential if maximum defensive strength were to be created in that area. For example, coordination of plans and military effort between two countries might enable adoption of a forward strategy re Bulg in place of existing defensive strategy. In event of aggression capability for forward strategy was important to Greece since without it Thrace cld not be defended.

4. Mavros said question of policy re Yugo is linked with Albania. Greeks believe Albania will be first satellite country to be liberated. They think Yugos aim to establish a Tito type of Commie regime in Albania and then incorporate such an Albanian state with Croatia and Serbia in some form of greater Yugo federation dominated by Yugo. Mavros said he had excellent reason to believe Tito would even be willing to cede certain Yugo territory to such

an Albanian state as a means of achieving this end. Greece was opposed to any such solution to Albanian problem, and thought it essential that Albanian territorial integrity be safeguarded until such time as an appropriate and democratic regime could take over. If Albania were liberated and then occupied by Allied (Greek and Yugo) forces, Greek Govt thought it of utmost importance these forces be integrated and under command of a US officer. In this way its integrity and independence could be best maintained. Otherwise Albania might be divided by Yugos just as Germany had been divided after last war.

DUNN

No. 430

881.10/7-1952

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] July 28, 1952.

Subject: Greek Currency Reform

Problem

To reach an agreed U.S. Government position with respect to the proposed Greek currency reform and the extent to which American officials should support the Greek Government in carrying out the plan.

Discussion

Recent telegrams from Athens indicate essential agreement among Embassy officials, MSA officials and Greek officials with whom the proposed currency reform has been discussed (Kartalis and Mantzavinos) that, despite inherent economic and political dangers, determined efforts should be made to carry through this basic reform as soon as practicable. It is also agreed that the present government is unable to implement this new policy and that the instrument most likely to succeed in carrying it out would be a three-party coalition whose formation would be accompanied by the announcement of future elections at some date to be fixed by mutual consent or in accordance with constitutional procedures. The possibility of such a new government has already been broached to the King and Queen who, without being informed as to

[1]Drafted by Baxter and initialed by Richards, Byroade, and Jernegan. The source text bears the handwritten notation by Acheson that he agreed.

the exact nature of the "drastic measures" required of such a government, have looked with some favor on the suggestion.

There are attached two Departmental memoranda. The first, from OFD, expresses the belief "that the currency reform is a feasible operation and does not contain within itself the seeds of its own destruction".[2] The second, from GTI, outlines in more detail the political considerations involved in the proposed change of Greek Government.[3]

Recommendations

1. It is recommended that the Department inform MSA/Washington that it has no objection to the early implementation by the Greek Government of the proposed currency reform.

2. It is recommended that Ambassador Peurifoy be instructed to support with the King and in any other official Greek circles he considers appropriate the formation of a government pledged to carry out such a reform and which it is considered would be able to do so. It should be clear that he is acting only in a friendly and advisory capacity in connection with Greek initiative.

3. It is recommended that MSA be informed that this decision is reached in spite of many misgivings as to the feasibility and wisdom, both politically and economically, of the proposed reform and that MSA be requested to give urgent consideration to measures which it might take in the event that the proposed plan does not produce the intended results.

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[2]The significant portion of this memorandum, July 28, by Jack C. Corbett (OFD) to Richards, is quoted above. (881.10/7–1952)

[3]This memorandum, July 28, by Dixon to Richards, pointed out the political obstacles to currency reform and suggested that a service government rather than a coalition might have a better chance to carry out currency reform. (881.10/7–1952)

No. 431

881.00/7-2852: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET PRIORITY NIACT

WASHINGTON, July 29, 1952—1:30 p. m.

355. Reference Embtels 327, July 26[2] and 337, July 28.[3] After careful consideration ur recent estimates outlook for success proposed currency reform and in consultation with Treas and MSA/W, Dept agrees that Kartalis and Mantzavinos shld be encouraged to proceed with implementation reform program.

Approach already made to King and his suggestion that problem be discussed with you open way for frank and thorough exposition US attitude. You are authorized to indicate to King that currency reform scheme advanced by Kartalis and Mantzavinos has, in opinion US officials who have given it thorough study, good chance of success if instituted and carried out by a govt sincerely committed to its implementation and strong enough to see it through to its conclusion.

You shld make clear at all times, of course, that we are not committed to any one particular polit solution. Our interest is that, shld Greece decide to embark on a program which has the possibility of restoring a considerable measure of econ health but which must steer a delicate course among dangerous polit shoals, the composition of the Grk Govt responsible for this program shld have the genuine backing of the Palace and the major polit parties.

No matter what our protestations, we must expect program may be widely labeled as "made in USA". Every effort shld be made to pt up Grk initiative in undertaking program, including formation of special govt to carry it out. We shld, however, go as far as we can, short of intervention in Grk internal affairs, to give advice and lend helping hand to any Cabinet which has courage and will

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[1]Drafted by Baxter and cleared with Richards, Kenney, Byroade, and Overby (Treasury); repeated for information to Paris eyes only for Draper.

[2]Telegram 327 transmitted Embassy comments on political points made in telegram 314 to Athens, July 25, regarding the political requirements for currency reform. (881.10/7-2152) If the program for currency reform by a three-party coalition or a service government were abandoned, the present government would carry out a simple currency devaluation and the currency stabilization program would be substantially relaxed unless the United States intervened as much as and for longer than necessary to get currency reform. (881.10/7-2652)

[3]Telegram 337 reported that the King had asked Mantzavinos to discuss the problem of establishing a three-party coalition with Peurifoy, which enabled the Ambassador to commend rather than initiate the proposal. The critical question was whether the Rally would give a vote of confidence to a three-party coalition in exchange for the King's assurances of elections after six months. (881.00/7-2852)

to attempt drastic solution which might, if not successful, result in untold harm to whole Grk econ structure.

Dept fully aware of polit difficulties and perhaps even impossibility achieving govt able put through proposed reform to successful conclusion. It is recognized that you shld have considerable latitude to play situation by ear in Athens. In any approaches which you decide to make to King or other Grk officials sufficient freedom of action shld be maintained to permit opportunity for "further consideration" or "reappraisal" by Wash if, in ur opinion, events shld take a turn that wld jeopardize success of project.

Both Emb and MSA/G shld, in our view, give urgent consideration to alternative measures which might have to be taken on short notice if implementation of currency reform shld in its early stages give evidence of not producing anticipated results. Dept and MSA/W will also undertake studies along same lines.

ACHESON

No. 432

781.5 MSP/8–752: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET ATHENS, August 7, 1952—6 p. m.

480. Dept pass MSA for FitzGerald.[2] Ref Repto 67 (Repto 390 to Wash).[3] Since my return to Athens and release my statement re stabilization,[4] fol developments have occurred.

When informed privately of level of aid figure for current year, Kartalis stated that, if figure were announced, he wld recommend to govt its immed resignation. He argued that figure must have been fixed on assumption currency reform wld go through, that reform is most uncertain since polit prerequisites do not yet exist, that in any case assumption on which aid figure fixed can not be explained to Grk people and that they wld believe govt had carried out stabilization program at behest of Amers merely in order to justify aid cut. This popular reaction reflected thru deputies wld make position of govt untenable and it wld be preferable to resign over clear cut issues rather than as result further defection of deputies. He strongly urged (1) that larger aid figure be announced,

[1]Repeated for information to Paris for Draper.

[2]Dennis A. FitzGerald, Associate Deputy Director of the Mutual Security Agency.

[3]Not found in Department of State or MSA files.

[4]Peurifoy met with MSA officials in Paris on Greek economic problems, Aug. 3, and resumed charge of the Embassy in Athens, Aug. 6. No copy of Peurifoy's statement on stabilization has been found in Department of State files.

subject to reduction if currency reform goes through or (2) no announcement whatsoever be made and, in view Venizelos well known indiscretion, govt not be informed of aid figure at this time.

Lapham and I subsequently decided it wld be unwise and impracticable to conceal from govt aid figure on which all planning must be based. Lapham therefore informed Venizelos this morning that $40 million allotted for first six months. Venizelos replied that it was doubtful whether govt could continue under these circumstances, that he wld consult with Plastiras upon latter's return next Sunday and wld communicate with us Monday.[5] He added it wld be difficult maintain current level of mil expenditures in light of aid cut. It was agreed at Venizelos request that no announcement of aid figure wld be made at this time.

I met with Papagos and Markezinis yesterday to explore further possibilities of interim three-party govt. I described our economic objectives in Greece, warned of severe cut in aid without mentioning specific figure and, having obtained promise of secrecy, explained proposed currency reform in general terms. Papagos expressed full agreement without economic program and assured me he wld not shrink before necessary measures no matter how drastic nor whom they affected.

On polit side he urged I insist King immed dissolve Parl and call for elections to be held in 30–60 days. Altho at first excluding any form of interim govt based on present Parl, it soon became apparent Rally leaders not so optimistic as previously and fear govt will, when Parl reconvenes, obtain vote of confidence which will confirm it in power for several months. They allege my statement re stabilization was interpreted as support of govt and discouraged defectors. They urged convocation Parl be delayed on pretext visit Yugo Parl delegation. (Venizelos has since informed us Parl will not meet before Aug 25.) Upshot of conversation was that, if King will not agree to immed elections, Rally will at least consider alternative plan which wld involve some form of interim technical govt for five or six months in exchange for public guarantee by King and all parties that elections will be held at fixed date. I hope to see King in day or two and will meet again with Papagos thereafter.

Alternative possible developments during next fortnight are fol:

(1) Resignation of govt ostensibly because of cut in aid but in fact because King and leaders consider majority in any case about to evaporate due to stabilization program and other factors;

(2) Agreement of Rally to service govt supported by all parties (King, Plastiras and Venizelos wld presumably also accept);

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[5]The communication by Venizelos with Embassy Athens on Aug. 11 has not been further identified.

(3) Failure of govt to obtain vote of confidence when Parl reconvenes;
(4) Govt obtains vote of confidence and continues in power.

Alternative (1) undesirable since downfall of govt wld be attributed directly to US action. Alternative (3) unlikely since, if EDA abstains as expected, govt could probably obtain majority of those participating in vote. Alternative (4) undesirable since all US reps here agree with Kartalis and Mantzavinos that currency reform could not be carried out by present govt. We therefore believe alternative (2) preferable from US point of view. Whether it can be worked out remains very doubtful but if present mood of Rally persists it is not impossible.

PEURIFOY

No. 433

881.00/8-2752: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State[1]

TOP SECRET PRIORITY ATHENS, August 27, 1952—3 p. m.

700. Dept pass MSA for Kenney. US policy in Greece during past few months has been primarily directed toward bringing about economic stabilization with view (1) ensuring effective use of American aid, (2) preparing country for drastic reduction in aid and cessation gold sovereign sales and (3) checking threat of runaway inflation. In June conclusion was reached that, while govt's policy in this field was so far satisfactory, stabilization program as it then existed was insufficient and, in light of growing political pressures, cld not long be maintained without additional steps. Those steps were devaluation or currency reform, preferably latter. We initiated conversations with Kartalis and Mantzavinos to determine whether these steps cld be effectively carried out by present govt. Their firm opinion was that they cld not and their recommendation was that efforts be made to form interim govt supported by three parties.

Fol this recommendation, with which we concurred because it seemed to offer best prospect of improvement in both economic and security fields, we explored proposals with King and Marshal Papagos. Latter agreed on condition he cld get firm written guarantee of elections within 5 or 6 months. King, who has repeatedly advocated this solution in past, seemed to agree but failed to fol up and,

[1]Transmitted in two sections; repeated for information to Paris for Draper.

moreover, revealed plan to Papandreou[2] in spite of explicit warning not to do so. Vendiris insists this blunder was unintentional but, coupled with refusal to postpone Parl session, effect was to torpedo negotiations.

In meantime govt was informed of drastic cut in aid and in counterpart investment program and responded by publicly blaming its economic shortcomings on Americans and threatening cut in armed forces if more aid not forthcoming. At same time strong indications appeared that govt, in spite of public statement to contrary by Venizelos, hoped to remain in office even if it obtained only slimmest vote of confidence. Our judgment is that, if present govt remains in office, not only are prospectus of currency reform or effective devaluation practically nil but present stabilization program may rapidly disintegrate. We therefore felt that prompt elections are only means by which our objectives can be attained and that, in light overriding importance these objectives as repeatedly expressed by NAC,[3] we shld make our views explicitly known at this critical juncture before King and Govt took firm public position in contrary sense.

My remarks have, as Dept is aware, produced hysterical howl with Commie overtones from very newspapers which welcomed enthusiastically my pro-govt statement upon my return from Paris. While naturally somewhat disheartened by this demagogic press campaign in country for which we have done so much, I realize that it must be expected as our aid and leverage taper away and Grks feel themselves less dependent on us. Newspaper attacks, though affording satis similar to that of small boys throwing snowballs at school teachers, do not represent views of Grk people and will soon blow over. King, Venizelos and Vendiris have expressed to me their strong reprobation and Plastiras has issued public statement condemning newspaper attack.[4]

More serious problem is how political crisis can be solved in such way as to foster political stability without jettisoning economic stabilization. Both Venizelos and Vendiris now assure us that (1) Govt

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[2]George Papandreou, Leader of the Democratic Socialist Party, in collaboration with the Greek Rally, May 1952–April 1953.

[3]Reference is possibly to NAC Action 330, June 3, 1949, on Sale of Gold Sovereigns by the Greek Government; and NAC Action 505, Nov. 13, 1951, on Gold Sales and the Restoration of Economic Stability in Greece. (NAC documents 88 and 186 in NAC files, lot 60 D 137, "NAC Actions 301–400 and 501–600")

[4]Plastiras' statement of Aug. 26 disapproved of personal attacks by the Greek press against Peurifoy. On Aug. 27, Politis expressed to Jernegan his personal regrets for these attacks and asked that a Greek Embassy press release of that date setting forth Plastiras' statement be given the widest distribution. (Memorandum, Aug. 27, by Jernegan, with Greek Embassy press release attached thereto; 123 Peurifoy)

will not remain in power but will resign after adoption electoral law and (2) rigged majority system sponsored by Rendis will not be adopted by Parl. We hope these forecasts are accurate but can feel no certainty. Venizelos states he plans to suggest secretly to Rally maintenance re enforced proportional system amended to permit parties obtaining 15 percent of vote to participate in second distribution of seats. We feel he may be argued out of this proposal by own supporters since it is questionable whether Libs wld obtain even 15 percent.

Vendiris has made strong plea to us for return to simple proportional system. He argues that Libs already so weakened that either majority or reenforced proportional system will oblige them to coalesce with EPEK and that their support plus that of many Commies might well lead to sweeping EPEK victory and govt dominated by Papapolitis[5] and his ilk. On other hand simple proportional system wld permit Libs to run independently in elections and thereafter to fol natural inclination by making alliance with right rather than left. While Commies wld obtain more seats in Parl they wld be isolated rather than blanketed under EPEK cover where they can do more damage. Vendiris stated frankly secondary reason for favoring this system is that it wld maintain stabilizing influence of Palace in political life whereas sweeping victory of Plastiras (and presumably Papagos) wld render Palace impotent. Vendiris also declared continued willingness to accept transitory govt but we expressed opinion favorable moment for this solution has passed.

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PEURIFOY

[5]Savvas Papapolitis, Minister of Commerce.

No. 434

611.81/9-2552. Despatch

The Ambassador in Greece (Peurifoy) to the Department of State[1]

SECRET
No. 324

ATHENS, September 25, 1952.

[1]Drafted by Yost. The source text bears numerous handwritten comments, presumably by Porter, which are set forth in footnotes below.

Ref: Embassy despatch no. 234, August 29, 1952[2]

Subject: Re-Assessment of United States Policy and Tactics Toward Greece

In light of the changing attitudes of the Greek people and Government described in the Embassy's despatch no. 234 of August 29, it is believed that certain modifications in U.S. policy and tactics toward Greece have become, or will shortly become, desirable. Possible modifications along these lines are suggested below for the Department's consideration. They are preceded, however, by a brief comment on the immediate political situation which requires separate treatment.

Immediate Political Problem

With a view to furthering political stability in Greece the United States has over a period of years urged the adoption of the majority system of elections. During the last few months, moreover, we have been urging, because of the extreme instability of the present Government, that elections under the majority system be held promptly. There is now a reasonable prospect that these objectives may be realized in the near future but a continued exercise of our influence may be required during the coming weeks for this purpose. Having so nearly reached this important goal it would seem desirable to continue, privately and discreetly, to exercise our influence upon the King and Government to insure that elections will be held as soon as possible after the enactment of the electoral law now being debated in Parliament.

. . . . . .

Long-Range Policy and Tactics

Assuming the existence of a friendly government in Greece, it is believed that our basic objective, in light of the change in our position outlined in despatch no. 234, should be to establish U.S.-Greek relations on approximately the same basis as our relations with other NATO countries.[3] . . . If under the conditions which now

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[2]In despatch 234, also drafted by Yost, the Embassy in Athens recommended support for assumption by the Greeks of greater responsibility in the political, military, and economic fields; maintenance by the United States of "certain key controls" to safeguard its political and financial investment; exercise by the United States of all its political and military influence if necessary to isolate the Greek military from political warfare; firm exercise of U.S. influence from time to time to prevent serious deterioration in the political field; seeing to it that if elections were held, they were "carried out with impartiality and under fair laws and regulations;" reduction of U.S. control in the economic field as its economic aid was reduced; and facilitating the coming to power of a government which might take "certain drastic measures" to correct chronic inflation, measures which the sharp reduction of aid required. (611.81/8-2952)

[3]A handwritten notation indicates agreement with the statement under reference.

exist we endeavor to play the same role as heretofore, we are likely merely to engender increasingly serious friction without accomplishing decisive results. We should and presumably will be able to continue to exercise guidance and leadership of a very important character but it should tend to become increasingly fraternal rather than paternal.

There is set forth below a number of concrete suggestions for reorientation of our policy over the coming months. Many of these suggestions involve the responsibilities of other agencies of the U.S. Government and will require careful study before they could be adopted. On the other hand, many of these suggestions embody points which have always been comprehended in U.S. policy toward Greece but which may have occasionally, in the heat of the moment, been neglected or forgotten.

1. To the extent possible U.S. influence in Greece should be exercised through NATO, OEEC or other multilateral channels rather than directly by the U.S. and its representatives in Greece.[4]

2. Direct expressions of U.S. views in regard to Greek matters should be concentrated on a relatively few problems which are vital to our interest.

3. Direct expressions of U.S. views should by and large be private and any public speeches or statements which it may seem desirable to make should not be critical of the Greek Government except in most unusual circumstances.

4. Expressions of direct U.S. views, whether stated privately or publicly, should be presented as tactfully as possible and in such a way as not to wound Greek sensibilities.

5. Expressions of U.S. views to the Greek Government should be put forward only at a high level. Subordinate officers of U.S. agencies should not be authorized, except when specifically designated in particular cases, to state U.S. policy to the Greek Government. One major source of irritation in our relations with the Greek Government has been the multiplicity of Americans at different levels who have demanded that the Government take this or that action.

6. In view of the fact that our economic aid and hence our economic responsibilities have declined very sharply, and that military responsibilities are more and more being taken over by NATO organs, it is believed that our economic and military personnel in Greece could and should be cut very sharply during the current fiscal year.[5] Competent, energetic Americans retained in Greece will expect and want to do a job and, if there is not a job for them to do, discontent and frustration will be created both among the Americans and their Greek colleagues.

7. It should not be beyond the powers of American ingenuity to avoid any further "cuts in aid", since it is around this dramatic act

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[4]Handwritten notations indicate agreement with suggestions 1 through 5.

[5]Regarding suggestion 6, this paper bears the handwritten notation: "We have this under study. We may be able to avoid cut in Embassy personnel on ground that it will assume added econ. rep. functions if Mission is cut."

that bitterness against the U.S. inevitably takes shape. If the behavior in the economic field of whatever Greek government may be in power should continue to be reasonably satisfactory, as that of the present government has been for the last six months, economic aid for the second half of the current fiscal year should be a little higher than the Greeks anticipate, that is, than $40,000,000. This recommendation is made on political and psychological grounds and despite the fact that from an economic point of view no more than $40,000,000 may be needed. Any surplus at the end of the year can easily be carried over into the next year. In future years it is urged that means be found of lumping together all U.S. aid, military and economic, in such a way that it will be impossible or at least extremely difficult to separate out purely economic aid and to label it as another "cut".

8. We will of course retain the control over the use of counterpart funds and must adjust the release of these funds to Greek performance in the broad economic field. It is urged, however, that our releases be relatively generous for purposes which are important to our over-all interests in Greece.

9. We should keep in mind that the two major economic objectives of U.S. policy in Greece are:

a. To preserve the pro-Western political orientation of the Greek people through the maintenance of stable economic and political conditions and

b. To make Greece more self-supporting so that the need for U.S. aid continuously declines. The latter objective is to be achieved primarily by:

(1) Financial stabilization permitting an efficient use of Greek resources and

(2) An increase in productivity, particularly, since Greece is an agricultural country, in the agricultural field.

We must take care that an exclusive concentration on tactic *b.*(1) does not lead to a neglect of objective *a.* or tactic *b.*(2).

. . . . . .

12. Our important political objectives at the present time are:

a. Maintenance of a government with a pro-Western orientation.

b. Preservation of internal security through the firm exercise of political and police power against the Communists, and their instruments.

c. A reasonable degree of political stability embodied in democratic institutions.

d. Restraint on political passions likely, unless restrained, to lead to extreme solutions of political problems.

. . . . . .

JOHN E. PEURIFOY

No. 435

781.00/11-1952: Telegram

The Chargé in Greece (Yost) to the Department of State[1]

TOP SECRET
PRIORITY

ATHENS, November 19, 1952—3 p. m.

1659. Noforn. Ref Embtel 1620 Nov 14.[2] Deptel 1666 Nov 18.[3] Our efforts at least to delay reshuffle in Army High Command have proved fruitless.

I saw Papagos yesterday to congratulate him on victory[4] and we had most cordial conversation in which he discussed with me cabinet list and explained his plans for immed future and at end of conversation I set forth our apprehensions over sudden wholesale shifts in High Command, stressing, (1) importance of not interrupting close and effective NATO liaison established particularly with Grigoropoulos, and (2) our strong feeling, which we had forcibly presented to King and govt during Kitrilakis affair, that General Hart should be consulted in advance about important military affairs.

Marshal replied that he had highest esteem for Gen Hart, that he desired to establish with Gen same intimate relations he had had with Van Fleet[5] and Jenkins,[6] and that he would be glad to discuss this particular matter with Gen that evening. He declared however, that he had made firm decision to oust Grigoropoulos, Tsakalotos, Pentzopoulos and Vasilas[7] and that action would be

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[1]Repeated for information to Paris for Reinhardt and to Rome for Unger.

[2]Telegram 1620 reported that an Embassy representative informed Markezinis on Nov. 14 that in event of a Rally victory in the elections of Nov. 16 the Embassy in Athens hoped Papagos would make necessary changes in the Greek high command only after the passage of a sufficient period of time to avoid undesirable political repercussions within and without Greece. (781.00/11-1452)

[3]In telegram 1666, the Department suggested that Yost briefly mention the subject of the Greek high command in his next conversation with Papagos and tell him that Peurifoy intended to discuss it on his return to Greece. (781.00/11-452) Peurifoy left Athens for home leave on Sept. 26 and resumed charge of the Embassy on Dec. 22.

[4]Greek Parliamentary elections were held on Nov. 16 and resulted in the victory of 239 candidates on the Greek Rally ticket with 783,514 votes and 61 on the EPEK-Liberal Union ticket with 588,644 votes. The Communist-front EDA received 151,861 votes, 9.6 percent of the 1,592,212 valid votes cast, but failed to win a seat in Parliament. The Greek Rally received almost half of the total vote, but gained roughly 80 percent of the total of 300 Parliamentary seats under the plurality electoral system used. (Despatch 764 from Athens, Dec. 31; 781.00/12-3152)

[5]Lt. Gen. James A. Van Fleet, Chief of the Joint United States Military Aid Group in Greece, 1948–1950.

[6]Maj. Gen. Reuben E. Jenkins, Chief of the Joint United States Military Aid Group in Greece, 1950–1951.

[7]Lt. Gen. Efthemios Vasilas, Commanding General, Second Corps of the Greek Army.

taken as soon as he assumed office. He contended that Tsakalotos and Vasilas had involved themselves inexcusably in politics, that Grigoropoulos as responsible head of armed forces had failed to control them and moreover, by locking himself in room on famous night of May 30, 1951,[8] had displayed notable lack of courage and that Pentzopoulos is a "vagabond". He declared Kitrilakis would be brought back, but that officers ousted for IDEA activities would not be reinstated and no other changes in mil leadership were contemplated. He concluded that he himself would assume Defense Min for few weeks after which it would be turned over to Canellopoulos.

Gen Hart saw Marshal last evening and approx same ground was covered. Papagos, while adamant on ouster of four generals, discussed replacements in cooperative fashion and accepted several of Gen Hart's suggestions. Hart was on whole pleased with outcome of interview. Kitrilakis will be chief of NDGS and Tsigounis chief of army staff. Dovas[9] and Balodimos[10] will remain in present postions.

Gen Hart and I are convinced after our conversations with Papagos that he feels so strongly on this matter that nothing short of some sort of United States ultimatum, and possibly not even that, would prevent him from making these changes and making them immed. He obviously considers these generals as traitors to him who would, if left in office, prevent him from establishing effective control over armed forces. While believing changes undesirable from many points of view, we do not think their effect will be so serious as to justify on their account destroying our excellent relations with man who will be governing Greece for some time to come. Past experience with Marshal indicates that he will after brief period of transition, re-establish atmosphere of stability in Greek Armed Forces and maintain close and effective cooperation with NATO commanders.

In absence of instructions to the contrary therefore, we do not propose to press matter further.

YOST

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[8]Regarding the aborted coup by military officers belonging to IDEA, May 31, 1951, see the editorial note in *Foreign Relations*, 1951, vol. v, p. 475.

[9]Lt. Gen. Constantine Dovas, Coordinator for NATO Affairs at the National Defense General Staff.

[10]Lt. Gen. Andreas Balodimos, Deputy Chief of the General Staff of the Army and of the National Defense General Staff.

No. 436

711.56381/3-1653

The Secretary of State to the Secretary of Defense (Wilson)[1]

TOP SECRET [WASHINGTON,] March 20, 1953.

MY DEAR MR. SECRETARY: I refer to Mr. Nash's letter of March 16, 1953[2] concerning military operating rights and facilities in Greece. The Department of State will seek to initiate negotiations to accomplish the Joint Chiefs of Staff's requirements as soon as possible.

In view of the importance which both our Departments attach to the question of Status of Forces, and which led to the meeting between Assistant Secretary of Defense Nash with Deputy Under Secretary of State Matthews on March 16, 1953,[3] I wish to reply immediately on that aspect to confirm the understandings resulting from that meeting. Such other questions as might arise from more detailed study of the enclosures to your letter can, I am sure, be worked out between representatives of our respective Departments.

The Department of State is ready and willing to try to establish with host governments arrangements which will result in the most authoritative, firm and extensive waiver of the primary rights of criminal jurisdiction available to them under the NATO Status of Forces Agreement[4] which it is possible to obtain without prejudice to larger objectives. The means by which this goal is to be sought will of course depend upon the specific circumstances in each case. In some cases it may be appropriate to seek to accomplish this by written agreement. In other cases, to seek to accomplish a waiver in writing or by formal agreement may be prejudicial to the obtaining or maintaining of the rights sought, or may create political problems adversely affecting our foreign policy, while less formal arrangements might more truly serve the desired end. In assuming its responsibility to try to accomplish such arrangements, the Department of State will assume the concomitant responsibility of determining the manner and form which will best promote those ends.

I think that it is very important that the NATO Status of Forces Agreement be ratified, not only in the interest of establishing a

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[1]Drafted by Wolf and cleared with John M. Allison (FE), Jernegan, Walter E. Pelton (L/C), Dulles, and Nolting.

[2]Not printed. (711.56381/3-1653)

[3]No record of this meeting has been found in Department of State files.

[4]4 UST (pt. 2) 1792.

firm basis in the fields which it covers, but also because of the effect which that ratification will have upon the whole common defense effort of the North Atlantic Treaty Organization. I believe that our two Departments should make it clear that that agreement provides a reasonable workable basis which, standing alone, would be satisfactory as a measure governing the status of our forces stationed abroad. It would appear to be doing a disservice to the purpose of seeking additional rights and privileges, as well as deleteriously affecting the common defense effort and our foreign relations, if it were to be publicly disclosed that this government would seek additional rights and privileges on a non-reciprocal basis. It would seem that the only public reference to the policy discussed in this letter should be along the lines that we are confident that operating arrangements based on good relations between governments and between our military authorities and local authorities abroad will provide in fact an even greater measure of protection than the satisfactory legal guaranties established by the NATO Status of Forces Agreement.

Sincerely yours,

JOHN FOSTER DULLES

No. 437

781.00/3-2453: Despatch

The Ambassador in Greece (Peurifoy) to the Department of State

SECRET ATHENS, March 24, 1953.

No. 1092

Subject: Conversation with Minister of Coordination Markezinis

At my request, Mr. Karamessines[1] and I met yesterday with Mr. Markezinis and discussed for over two hours his Government's policy toward the Communist-front party EDA.

We reiterated the concern which I had expressed to Mr. Markezinis on another occasion (Embdesp 993 dated February 27)[2] that, in spite of the vigorously anti-Communist convictions of Marshal Papagos and all his ministers, the Rally Government had not in fact taken steps to correct the unsatisfactory security situation inherited from the previous Government. We cited the facts (1) that

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[1]Thomas H. Karamessines, Attaché in Greece.

[2]Despatch 993 reported Yost's conversation of Feb. 25 with Markezinis on the Greek Government's tactics toward Communism and particularly on a recent call by Passalidis on Markezinis. Passalidis urged Markezinis to go to Moscow and negotiate a trade agreement rather than go to Washington to seek aid. (781.00/2-2753)

practically none of the exiles and prisoners released by the previous Government had been taken back into custody in spite of the fact that several of them are known to be dangerous Communists, that many have engaged in political activities since their release, and that more than 50 actually appeared as EDA candidates in the last election; (2) that *Avyi*, the EDA newspaper, continues to appear freely; (3) that the Prime Minister and Mr. Markezinis have on several occasions received and conferred with Passalides Chief of EDA, thus appearing to recognize him as a responsible political leader; (4) that no action has been taken against EDA itself or its officers in spite of the fact that it has been clearly established that EDA is an agency of the KKE. (In this last connection we referred to the Department's inquiry on this matter contained in IAD dated March 3.)[3]

We suggested that this apparent toleration of EDA and the Communists generally could have two unfortunate effects. First, it would facilitate the Communists in rebuilding their underground apparatus and developing its capacity for causing serious damage at the time of some future emergency, such as the outbreak of war. Second, particularly at a time when EPEK seems to be breaking up, many of these followers might be encouraged by the apparent toleration of EDA to join the ranks of the latter, whereas, on the contrary, repressive action against EDA on the part of the Government might well intimidate and discourage new recruits.

Mr. Markezinis explained at great length his philosophy and strategy in this connection. He emphasized that the Rally Government is of course very strongly anti-Communist, both internationally and internally, but that the tactics might differ in the two cases. Internally he did not consider the Communists as serious or as immediate a menace as the non-Communist Opposition. In spite of the huge majority and apparent strength of the Rally, the mercurial quality of the Greek people created the danger that at any time that majority might evaporate unless the people were convinced that no alternative existed except Communism. He, therefore, intends to continue to put forward regularly the slogan, which he announced in Salonika, that there is no alternative to the Rally but Communism. He is loath therefore to proceed against EDA at this time for fear that its dissolution might swing many of its supporters over to the Center which might thereby be enabled to win a series of by-elections and, conceivably, as a result to cause the downfall of the Government. In order to meet this danger, Mr. Markezinis had proposed, and Marshal Papagos had agreed, that there should shortly be introduced into Parliament a bill doing

[3]Not found in Department of State files.

away with by-elections except in one-member constituencies. This would prevent, for example, a by-election in Athens which, though it might cost the Government only one seat, nevertheless might undermine its entire position. After this bill had been enacted into law Mr. Markezinis said that he would be quite prepared to recommend the dissolution of EDA, though he was inclined to feel that the Communists would merely substitute another front organization. He was also prepared, he said, as soon as he had dealt with the most pressing economic problems, to work out a long-range and really comprehensive anti- Communist policy. This would include not only the mild steps which we had mentioned but also a law providing for the elimination of the numerous "pinks" in government service and another law authorizing the Government to suppress not only *Avyi* but any other newspaper which followed a pro-Communist or anti-nationalist line.

We expressed some doubts about these more far-reaching measures which the Minister proposed, suggesting that the abolition of by-elections would subject the Government to very strong attack and was in our view not necessary for the maintenance of the Government in power; while the elimination of "pinks" from government service was desirable, this should not be conceived as a general cleaning out of all public servants with Liberal or EPEK leanings; and that he was certainly aware of the dangers of suppressing newspapers which might merely be anti-Government. Mr. Markezinis disavowed any intention of carrying his program to this extreme but did say that a firm decision had already been taken regarding the law abolishing by-elections.

We said that we would like to discuss with him later his long-range policy but would hope that in the meantime action could be taken promptly at least to place in custody the most active and dangerous Communists released by the previous Government and to suppress the EDA newspaper *Avyi*. We suggested that this action taken prior to his visit to Washington[4] would enable him to answer any criticism which might possibly be addressed to him there in regard to the failure of the Rally Government to take the necessary measures in the security field. Mr. Markezinis said that he thought that it would probably be possible to take action along these lines before his departure.

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[4]In a letter to Peurifoy of Feb. 24, Papagos stated that he had decided to send Markezinis to the United States for a timely review of certain economic questions with a view toward more permanent economic planning for Greece. (Telegram 2572 from Athens, Feb. 26; 781.13/2-2653)

Embassy Comment

We are inclined to feel that, simply because we have made a considerable point of this matter, Mr. Markezinis will see to it that some action along these lines is taken before his American trip. It is quite clear, however, that we have not dissuaded him from his basic conviction that the main threat to the Rally Government's position and to his own comes from the Center and that his primary political objective, therefore, should be to destroy the Center, using the Communist's for this purpose insofar as it seems expedient. We shall continue to try to convince him of the unwisdom of this strategy but are far from sure that we shall succeed. It is clear that we must be careful that he not use our representations in regard to action against the Communist's as an excuse for enacting sweeping measures for a purge of the Civil Service and control of the press, which measures he would be likely to employ primarily to weaken the Center and its adherents rather than the Communists.

Other Matters

In the course of our conversation, Mr. Markezinis reported to us with pride that he had that morning, with considerable difficulty, persuaded the inner cabinet to issue sweeping and categorical instructions forbidding Greek vessels, not only from carrying strategic materials to Communist ports but even from calling at any such ports. (This is a matter on which the Embassy has been pressing the Government for some weeks.) Mr. Markezinis assured us that in the international sphere the US would always find the Rally Government prepared to go to any lengths which we desire in combatting Communism.

Mr. Markezinis mentioned that Marshal Papagos is going to pay an official visit to Turkey commencing April 28 and returning May 2. Mr. Markezinis has proposed that Mr. Tsouderos be acting Prime Minister during the Marshal's absence and that he be acting Minister of Coordination during Markezinis' absence in the US. He said that it seems wise to conciliate Tsouderos and his group in this way, although he was taking precautions, by leaving instructions that the Currency Committee not be convened during his and Mr. Costanzo's absence, to see to it that Tsouderos and Sir Theodore Gregory[5] had no opportunity to upset the stabilization program. Referring to his proposal that Tsouderos serve briefly as acting Prime Minister, he said that he felt it wise that he, himself, refrain from publicly assuming the Number Two position in the Government at this time though later, after his economic program had

[5]British Member of the Currency Committee of the Bank of Greece.

been successfully completed, it might be desirable for him to accept the position of Vice Premier.

For the Ambassador:
CHARLES W. YOST
Minister-Counselor

No. 438

611.81/4-1053: Despatch

The Ambassador in Greece (Peurifoy) to the Department of State[1]

SECRET ATHENS, April 10, 1953.
No. 1147

Subject: Markezinis Visit to Washington

The visit of Minister of Coordination Markezinis to Washington will mark a very important stage in the development of Greek-American relations. Papagos and Markezinis are sincere friends of the United States and firm adherents to the global policy of resistance to Communism in which we are engaged. It is their desire closely to coordinate Greek with American policy and to follow our wishes to the fullest extent this may be feasible. Markezinis looks upon his visit to Washington as the concrete expression of this intention and of his desire that Greece should serve as a model for other countries in the loyalty and effectiveness with which it carries out our common policies.

On the other hand, as the Department is aware, both Papagos and Markezinis are sensitive and emotional personalities with a highly developed sense of their own dignity and of the historical and strategic importance of Greece. If they should get the impression that the US is taking them for granted, that it is using their determination in the military field and their success in the economic field as an excuse to reduce our aid and support to niggardly proportions, if they should feel that we are treating them less favorably than their predecessors who were unable to provide a stable government or a successful economic program and who have attempted and continue to attempt to blackmail the US in regard to the maintenance of Greek Armed Forces at present levels, if they should gain the impression that relatively well-to-do Western European powers are more successful in obtaining aid from the United States through a failure to stabilize their economies than is poverty-stricken Greece through stabilizing its economy, or that

[1]Drafted by Yost.

the United States is inclined to be more helpful to Communist Yugoslavia than to democratic Greece, it is altogether possible that they might overnight alter, not their basic orientation, but their tactics. We might well find that they would revert to inflationary devices in the economic field, that they would drag their feet on the many demands of NATO and the United States in the military field, that they would insist on a much more drastic reduction of US personnel in Greece than we would consider desirable and that the preponderant influence of the US in Greece would be weakened. It is for this reason that we would strongly urge the Department, on political, military and economic grounds, to do all in its power to make Markezinis' visit to Washington a success.

The accomplishments of the Rally Government are already substantial and the prospects for further achievement are excellent. For the first time since the war we have a stable government in Greece and, if we assist that government in retaining its position, there is every reason to believe that it will be able to remain in power for four years. In the military field, in spite of the public insistence of the Opposition that military forces must be cut in half, the Government has staunchly maintained that these forces must be maintained intact and even if necessary increased. New proposals for NATO and US military activities in Greece are under consideration and, if the present atmosphere is maintained, will almost certainly be approved by the Papagos Government. The tripartite pact with Turkey and Yugoslavia has been concluded with our encouragement and is being implemented in close association with NATO and US commanders. Papagos has confidentially informed us of his intention to offer additional Greek forces for service in Korea.

In the political field, the question of stability, on which progress in Greece in all other fields depends, has already been discussed. We have disagreed with the current tactics of the Rally Government toward the Communist front party in Greece, whereby the Government tends to tolerate this party as a means of weakening the Center Opposition and hence strengthening its own position. However there is no question that the Marshal and Markezinis are firmly and vigorously opposed to Communism, that they will take whatever measures are necessary to keep it under control and that their present tactics stem merely from the fact that they do not consider it a serious internal menace at this time. We believe that we shall be able to persuade them to modify their present tactics if our present friendly relationship is maintained.

In the economic field the Government has continued with even greater vigor than the previous government to carry out our stabilization program. They have accepted practically all our recommen-

dations in this respect by taking radical measures to balance the budget, by restricting credit in spite of heavy pressure to relax, and by a series of necessary but unpopular measures.

The requests of the Rally Government for future US aid are not large or unreasonable. They feel assured of full utilization of the 80 million dollar economic aid for Fiscal '53. They are not disposed to quarrel seriously with the prospect that aid for next year will amount to 35 million dollars in new money plus a drawdown of 20–30 million from the pipeline. The sum and substance of their current request, on the outcome of which will depend Markezinis' judgment as to the success or failure of his Washington visit, is the assurance that US aid will be available to complete the Government's investment program. This program has recently been reduced, insofar as its foreign component is concerned, from 115 to 77 million dollars, of which perhaps 25 million might be obtained from the defense support grant already envisaged for Fiscal '54.

It is argued, with some cogency, that, particularly considering the beneficial effects on the balance of payments anticipated from devaluation, Greece will not need any further aid after 1954 to maintain the present standard of living of its population and to support its military effort at the current level. It is also pointed out that the proposed investment projects have not yet been formulated in sufficient detail to determine whether or not they are economically sound and wise and that there is serious question whether many of them are in fact sound and wise.

These caveats are well taken. However the following considerations must be kept in mind. First, the Rally Government, while politically strong, is by no means "monolithic." It would be subject to rather rapid disintegration if it is not able to convince the Greek people that the drastic economic measures which it is taking will in fact lead to the betterment of their standard of living. The investment program has in the Greek mind become a symbol of hope for the future. If the Rally Government must take the responsibility for blasting this hope, its political fortunes will suffer heavily. It is for this reason that Markezinis will judge the success or failure of his Washington visit by whether or not he obtains some satisfaction in regard to the investment program.

Second, it would appear that the US policy of assisting in the development of under-developed areas would apply to Greece under any circumstances and is particularly applicable in view of Greece's strategic position. The Greek Government is taking steps to encourage the investment of foreign private capital and we hope that some such investments will be made. It is doubtful however whether private investments will be large in the immediate future. While the proposed projects have not yet been formulated in every

detail nor provision for adequate Greek participation therein yet made, there is good reason to believe that at least some of these projects would be beneficial in increasing economic stability and ensuring that Greece will be self-supporting in the future in the absence of a serious world economic crisis.

Third, it should be noted that the military demands upon Greece from NATO and the United States have by no means reached their highest point. Many of these demands will require substantial drachmae expenditures by the Greek Government. Examples which may be cited are NATO's request for an expansion of personnel in the Greek Air Force, NATO's request for an accelerated training program for reserves, NATO's proposal for the rehabilitation of certain war vessels of British origin in Greek hands which are currently laid up, the proposal that Greece assume the full cost of common use items for the Greek Armed Forces, the upkeep of facilities which will be constructed under the infrastructure program, and finally the Greek share in the construction of certain additional facilities in which the United States military authorities are interested. If these additional expenditures are to be met over a period of years wholly or in part from Greek resources, rather than from the counterpart equivalent of continuing American aid, the best means might be by the development of the Greek economy through the carrying out of some of the proposed investment projects.

The Embassy understands that, in view of the desire of the Administration and the Congress to reduce expenditures for foreign economic aid next year, it may well be impossible to obtain for Greece a larger amount of grant aid than that already contemplated. On the other hand, the political, military and economic considerations outlined above will not be met by mere assurances that further aid for Fiscal '55 will be considered a year from now. Markezinis feels, and we believe rightly, that he must have some assurances at this time that he can go forward with at least a substantial proportion of his investment program, for the political reasons already set forth and in order to carry out successfully a very substantial internal loan which he expects to launch in September.

The Embassy would like to propose, therefore, that the Department explore urgently with the other interested agencies the possibility that the Export-Import Bank might be persuaded to extend, *during Markezinis' visit but subject to certain conditions*, a credit to Greece of about 25 million dollars. It could be stipulated that funds would be expended from this credit only as and if the Bank, after careful study of the proposed projects, should determine that they were of such a nature as to justify the expenditure of the Bank's funds under its charter. It might well prove therefore in practice

that only a part of the 25 million offered would ever be used. The burden would be placed on the Greek Government to demonstrate that the projects were sound and to arrange for the necessary Greek participation. At the same time, insofar as the balance of the foreign exchange required for the Greek Government's investment program is concerned, the US Government might offer its good offices with the IBRD and recommend to that Bank that it send a mission to Greece in the immediate future with a view to determining whether additional funds for the program might be lent from its resources. At the same time the Greek Government could be encouraged to continue its efforts to seek private capital in the United States.

This may not be the only means of meeting the problem and the Department or other US agencies may have other suggestions which are more feasible. The solution suggested above, however, does have the advantage of providing a tangible achievement in this field which Markezinis could publicly announce upon his return to Greece, and yet of refraining from making any commitment of US funds for projects which have not been thoroughly explored and which may prove unsound. We believe that Papagos and Markezinis would be reasonably satisfied with such an outcome of the visit and that the political hazards of the failure of the visit would thereby be avoided. We do not feel, however, that the Greek Government would be satisfied nor that these political hazards could be escaped merely by a vague statement on the part of the US Government that it would "study" the Greek investment program with a view to determining in the future whether or not it could assist.

In conclusion, I should like to repeat most earnestly the very great importance which I attach to a successful solution to this problem. I believe that the manner in which it is resolved will very materially affect, and may even determine, our relations with Greece over a period of years. If those relations should deteriorate, the bill which the United States would have to pay in order to maintain its interests in this strategic country would be very considerably larger than the small amount now needed to maintain the present happy situation. I am convinced that this is very clearly a case where an ounce of prevention is worth a pound of cure.

JOHN E. PEURIFOY

No. 439

781.5 MSP/5-753

Memorandum of Conversation, by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)

CONFIDENTIAL [WASHINGTON,] May 7, 1953.

Subject: Greek Request for American Aid for Development Program

Participants: Mr. Spyros Markezinis, Greek Minister of Coordination[1]
The Secretary

Also Present: Athanase G. Politis, Ambassador of Greece
NEA: John D. Jernegan

Mr. Markezinis spoke at some length about the sacrifices being made by Greece to support large armed forces, emphasizing the relatively high proportion of the Greek national income expended for defense. He pointed out that Greece had the lowest national income of any NATO member, yet was spending the highest percentage for military purposes. He said that Greece intended to continue to maintain its forces and would even increase them if necessary. He insisted on the importance of Greece in the defense of Southeastern Europe and expressed the hope that a strong Greece, in collaboration with Turkey and Yugoslavia, could induce some of the Balkan Satellites to break away from the Soviet bloc. He thought this was a field of diplomatic activity to which we should devote great attention.

The Minister went on to say that Greece was anxious to stand on her own feet and was now in a position to offer something instead of merely asking for things. So long as there have been weak coalition governments in Greece, this had not been possible but the advent of the Papagos Government with its overwhelming Parliamentary majority had changed the situation. The Minister had with him a letter from Marshal Papagos to President Eisenhower[2] which was of the greatest importance and which he would deliver later in the morning. He urged that, after its delivery, the Secre-

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[1]Markezinis visited Washington May 5–9 and 14–16 to discuss economic questions, particularly plans for the economic development of Greece.

[2]Dated Apr. 29, not printed. (Eisenhower Library, Eisenhower papers, Whitman file) In despatch 1193 from Athens, Apr. 18, Yost informed the Department of State of the contents of Papagos' letter which Yost read in first draft at Markezinis' request. (781.13/4-1853)

tary read it carefully. It would show the lengths to which Greece was willing to go in support of the West.

However, Mr. Markezinis said, it was essential that there be compensation for the sacrifices which Marshal Papagos was asking the Greek people to make. Specifically they must have hope for better conditions to come in the future, and this must be held out through the implementation of an economic development plan. This plan, which we had worked out, called for the expenditure of about $230,000,000 over a four-year period. The equivalent of $130,000,000 would be supplied in drachmae by the Greek Government itself. The remaining $100,000,000 was needed in dollars from American sources. He thought this was a very small amount to request in view of the importance of the objective and the amount of money the United States was making available to other countries.

What Mr. Markezinis wanted at this time was not a commitment that we would give Greece a specific sum of money; he understood that we could not make promises until Congress had acted on our appropriation request. What he did ask, most emphatically, was a general statement to the effect that we endorsed the development program and would give it our full support. Later we could talk about specific items and the amount of money required from the United States Government, but a general statement of support now would provide the necessary psychological impact in Greece. He pointed out that such a statement would not in fact bind us to anything and he remarked jokingly that Greece would not sue the United States to enforce the promise of support.

Mr. Markezinis handed the Secretary a memorandum describing his proposed development program,[3] saying he had given a copy to Mr. Stassen yesterday.[4] The Secretary glanced at a portion of it and remarked that our present desire was to see projects of this type financed so far as possible by the International Bank. We ourselves, the Secretary said, were having financial troubles and had not yet succeeded in balancing our budget. We preferred, therefore, to have the privately financed International Bank provide money whenever possible rather than to draw on appropriated funds through the Mutual Security Agency or the Export Import Bank.

Mr. Markezinis replied that he was perfectly willing to consider financing by the Export Import Bank or the International Bank but he must first of all have the assurance of United States Government support. As he envisaged the matter, part of the funds for

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[3]Markezinis' 10-page memorandum, Apr. 29, stated that the development program would cost $237 million over the next 3–5 years and that Greece needed $113 million of this cost. (881.00/5–2253)

[4]No record of the Stassen–Markezinis meeting has been found in Department of State files.

the program should come from the United States Government, as those funds would be quickly available and would enable an early start. The remainder, perhaps the greater part of the total, could come from the two Banks.

In closing, Mr. Markezinis made an impassioned plea for positive American assistance, stressing the gallant nature of the Greek people and in particular the importance of giving concrete evidence of support for the Papagos Government. He said that if he returned to Greece and was able to say only that the United States Government had been friendly but non-committal, it would have a serious effect on the stability of the Greek Cabinet and on the attitude of Marshal Papagos toward the United States. He was sure that if he (Markezinis) were rebuffed here, Marshal Papagos would declare his intention to maintain Greece's alignment with the West and Greece's armed forces at their present level at any cost, but at the same time would renounce all special connection with the United States, terminating the MSA Mission to Greece and all MSA aid, etc. He would certainly do this if Greece were offered nothing more than a mere $20,000,000 in economic aid for the coming year. Such an attitude by Papagos would have very bad effects for the United States not merely in Greece but throughout the Middle East, where Papagos had great prestige. The Minister added that the Secretary's forthcoming visit to Greece would be very adversely affected.

The Secretary made no comment on these observations and merely promised to study the Minister's memorandum.

No. 440

781.13/5-753

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade)

SECRET [WASHINGTON,] May 7, 1953.

Subject: Visit of Mr. Markezinis, Greek Minister of Coordination, with the President.

Participants: President Eisenhower
Mr. Markezinis, Greek Minister of Coordination
Mr. Politis, Greek Ambassador
Mr. Byroade—NEA

Mr. Markezinis, Minister of Coordination for Greece, and Ambassador Politis called on the President at 11:30, May 7th. They were accompanied by Assistant Secretary Byroade.

After exchange of pleasantries and the receipt of certain gifts sent to the President and Mrs. Eisenhower by the Greek Government, Mr. Markezinis handed the President a personal letter from Marshal Papagos.[1] The President informed the Minister of Coordination that he was extremely pleased at the contents of the letter and the obvious spirit of the Greek Government which it portrayed. He told the Minister that he was particularly pleased with the last part of the letter which indicated that he could use the contents of this letter in any manner which the President deemed to be advisable. He stated that he thought certain portions of the letter might be very useful to us, particularly in our dealings with the Congress.

The President stated that the specific matters which the Marshal raised in his letter would have to be studied. He was not sure, for instance, whether we felt an additional base in the Greek area was in fact required. He also stated that we would look into the question as to whether more Greek troops were required in Korea, and if we felt that to be the case we would be in touch with Marshal Papagos. He asked the Minister to convey his personal pleasure to the Marshal for the type of letter he had sent.

The Minister then explained at some length the efforts Greece was making in its internal development program. He stated that he realized we could not commit the Congress to a definite figure on US assistance to Greece by any statement on this subject at this time. He felt, however, that a general statement of our support for their program would be beneficial and greatly help the Papagos Government. We could talk about specific figures at some later time. He stressed the urgency of agreement on such a statement, as Dulles, Stassen and he himself were leaving Washington on Saturday.[2] The President replied that he would immediately be in touch with Mr. Dulles and Mr. Stassen and convey to them his pleasure at the type of letter Marshal Papagos had sent and ask them if they could work out some type of statement that would be useful to the Greek Government. The President then asked Mr. Byroade to follow this matter through.[3]

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[1]See footnote 2, *supra*.

[2]On May 9, Dulles and Stassen were to leave Washington for their visit to the Near and Middle East, May 9–29, 1953; see vol. IX, Part 1, pp. 1 ff. Regarding their visit to Athens, May 27, see Document 444.

[3]In a memorandum, May 8, to Dulles (781.5 MSP/5–853), Byroade proposed that the Department issue a statement reiterating the U.S. policy of helping to make the Greek economy self-supporting and indicating that, within the limits of Congressional action and technical feasibility, the United States would lend support to an economic development program in Greece. In addition, Byroade stated that a confidential *aide-mémoire* outlining in some detail what this meant would be transmitted to the Greek Government. (See Document 442.)

No. 441

Athens Embassy files, lot 60 F 16, "500 Greece 1953"

The Deputy Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter) to the Ambassador in Greece (Peurifoy)

SECRET–PERSONAL
OFFICIAL–INFORMAL

WASHINGTON, May 12, 1953.

DEAR JACK: In this between-Markezinis interval (he returns from Canada on Thursday[1] for a few days), perhaps I can find time to give you a somewhat detailed account of those busy days last week when we were knee-deep in Greeks from dawn until far into the night. You can imagine most of it: the large delegation at the station to meet the large delegation that arrived from New York; the dinners, the luncheons, the cocktail parties; the briefings for Markezinis' calls on Government officials, the arrangements for the gifts to be taken to the White House so that they could be presented to the President in the Minister's presence; the protracted meetings in MSA when the content of an *Aide-Mémoire*[2] and a proposed press release[3] were haggled.

The real fireworks came on Saturday.[4] We had contended until after eight o'clock the night before with Markezinis' advisers over the phraseology of the two documents. To boil the problem down into its basic elements, the Greeks wanted a blanket approval of *the* government investment program which it had submitted, whereas MSA was willing to endorse the idea of *an* investment program subject to project review. Late in the evening I was able to dangle as a carrot in front of their noses the possibility that, if agreement could be reached early Saturday morning, it might be arranged that the Secretary could lead off his Saturday noon press conference, the final one before his takeoff that evening for the Middle East, by reading a statement on the result of Markezinis' discussions in Washington. Markezinis recognized the public relations angle and indicated his willingness to accept certain of our positions which his advisers had rejected.

Bright and early Saturday morning we were busy with redrafting in preparation for a meeting at nine-thirty with Markezinis and company. By a little before eleven everyone was happy with the proposed draft of a press release which was immediately processed and sent to the Secretary with the recommendation that he

[1]May 14.
[2]For text of the *aide-mémoire* handed to Markezinis, May 15, see *infra*.
[3]Not found in Department of State files.
[4]May 9.

read it at the outset of his press conference. At two minutes before twelve, as I was walking into the Department auditorium, I was snagged by a fifth-floor messenger who said that the Secretary wanted to see me immediately. In his office, with McCardle and McDermott,[5] he expressed something considerably less than enthusiasm at the final paragraph of the draft release, saying that its implication of extending aid to make Greek economy self-supporting was contradictory to the line he had taken in Congress and the strong line he had taken with various other countries, particularly with France.

I tried to explain that MSA had agreed to a change in emphasis in Greece, that consideration would be given to sound development projects aimed at permitting a healthy Greek economy to support its own military effort, and that no more money would be involved than had already been appropriated and included in present requests for the next fiscal year. However, the Secretary was unimpressed, probably because Markezinis had talked to him steadily for 45 minutes when he called on him and had waxed both eloquent and emotional about the $100 million development program. Any encouragement, the Secretary seemed to feel, would lead the Greeks to think that we were morally committed to financing a program of such proportions. His last remarks as we went down on the elevator were to the effect that, as this was mainly an MSA matter, MSA could issue any statement it wished.

Well, you can imagine my state of confusion. With a statement cleared all the way through MSA and all the way through the Department with the exception of the Secretary, we had foreseen no last-minute snag and were prepared to issue the statement at the end of the press conference in the normal handout fashion, even if the Secretary had decided he did not wish to read it himself. Consequently, I gave a signal to Bill Porter as I went into the press conference to stop the telegram to you and to suppress the mimeographed copies of the release. Despite the fact that the Greek correspondents had been led to expect some statement, they did not have the opportunity during the press conference to ask the Secretary any questions.

Following a hurried conference with Hank Byroade and Jack Jernegan immediately afterward, it was decided that we should try to see the Secretary. We knew that he was leaving the Department at two and was taking off at seven on his trip; however, Jack, Charlie Yost and I managed to get in to see him at about one-thirty. It was apparent that the Secretary had had some rugged days with

[5] Michael J. McDermott, Special Assistant for Press Relations, Office of the Secretary of State.

Congress, which, as he pointed out, was in no mood to approve building a dam in Greece at the same time we were cutting down our own defense appropriations. It was touch and go for some little time, until the Secretary picked up a pencil and began playing with the wording of the final paragraph of the statement. Eventually he redictated that portion, changing one or two words at Jack's suggestion, but, when he tossed it to us as approved, we were so pleased to have *something* that we were not at all prone to quibble.

Concurrently with all this hassle, Bill Porter learned that Markezinis had already jubilantly cabled the unauthorized version to Papagos and that Greek correspondents had been given copies. Therefore, the next step, and one which filled us with dread, was for Charlie and me to take the new wording and break the news to Markezinis. We went through quite a session of histrionics. The Minister found himself more completely "exposed" than at any previous time in all of his political career—and through no fault of his own! He could not be responsible if the United States Government couldn't make up its own mind and stand by an approved text. He would have to tell Papagos that he was wrong in having cabled his acceptance of an American position from which we had now withdrawn. This new text he could not accept. He would resign. Papagos would in all probability tell the United States to take its money and its mission and go home!

We tried to reason with him (a posture a little difficult to assume at that moment), pointing out that the statement was after all a United States release and not a joint communiqué, that in our view it changed none of the substance of the understandings reached at a working level, that it would be not impossible to explain the appearance in the press of variant wording which had been considered during the drafting stages, and that the only way in which it could be interpreted as a defeat for him was for him to treat it as one. In the midst of all this, I had a telephone call from the Department reporting that the new wording was considered by MSA to have even fewer safeguards than the previous version and that they felt Mr. Stassen himself had to be consulted before it could be released.

Meanwhile, everyone was fluttering on the sidelines with luggage, telling the Minister he would miss his train to Canada if he didn't leave at once. His final Jovian bolts were (1) an ultimatum that he must have an immediate letter of explanation from the Secretary himself in order to protect his position with Papagos and

(2) an order to Pesmazoglu[6] to remain in the Embassy without budging until such a letter was delivered.

By this time it was after four o'clock. With nothing to eat since early breakfast, Charlie and I retired to our house for a sandwich (and a drink) to lick our wounds and consider our next move. Hank Byroade, who had moved only the day before and whose new telephone had not been connected, could not be reached; so we decided to go to the airfield with the hope of telling him the story and suggesting that he seek the Secretary's authorization for some sort of mollifying letter which we could write after getting telegraphic authorization back from their first stop. As it turned out, the group at the airport was very small and family, with children and dogs running about and the Secretary arriving early. He called us over to ask about how we had come out with Markezinis, and, when he heard our tale of woe, beckoned Bedell Smith to join us. The upshot was an agreement that Smith would sign a letter on Monday morning.[7] That document, which was for Markezinis' personal and confidential use with Papagos, I delivered to the Ambassador yesterday afternoon, after which the Ambassador phoned back to say that he had talked with Mr. Markezinis in Canada and that the latter had instructed him to convey his appreciation and the information that he was "very happy" about everything which had happened during his visit and had so informed his Government.

Thus ended another Greek tragi-comedy. For your personal information I am attaching the draft press release,[8] the final press release,[9] the agreed *Aide-Mémoire,*[10] and a draft letter concerning the EPU allotment.[11] These latter two have not yet been processed and formally delivered to the Greeks.

I well know the long history of your devotion to the cause of a Royal Greek visit to the States. You richly deserve to be the channel through which an eventual invitation is extended. However, we were unable to jar this project loose from the Department until we tied it up with the magnanimous offers contained in the Papagos letter which Markezinis was delivering to the President.[12] Even

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[6]John Pesmazoglou, General Director, Ministry of Coordination.

[7]Dated May 11, not printed. (781.00/5–1153)

[8]Not printed; there is no difference between the texts of the draft press release attached to the source text and the final press release.

[9]For text of Department of State press release 255, May 9, on discussions of Greek problems with Markezinis, see Department of State *Bulletin*, May 25, 1953, p. 752.

[10]*Infra.*

[11]The undated draft letter to Markezinis for the signature of FitzGerald (MSA) is not printed; it stated that MSA was prepared to make an allotment to Greece of $25 million in EPU special resources for the settlement of three-fourths of Greece's monthly deficits with the EPU.

[12]See footnote 2, Document 439.

then the President did not broach the subject with Markezinis. It was not until the morning of the Secretary's departure that we were told on a very Top Secret basis that the Secretary was carrying with him a letter from the President inviting the King and Queen to visit the United States sometime next Fall.[13] It is the Secretary's wish that Their Majesties have no hint in advance of this development. He wishes to be able to handle it as a surprise package when he sees them in Athens. It has been agreed that both Markezinis and Papagos be informed of the Secretary's intention, with the clear understanding that no one else be told. Charlie feels that both of these men can be trusted to respect the confidence. We have not yet had the opportunity to talk to Mr. Markezinis but will do so within a few days when he returns from Canada.[14] At the same time we will ask him not to telegraph this information to Papagos for fear of a leak, and will explain that, realizing that the Prime Minister should of course, be apprised, you have been requested to do so in Athens. I sincerely hope that Papagos will agree to maintain strictest secrecy in order that the Secretary may be able to carry out his plan of giving the King and Queen a pleasant surprise without having the edge taken off by advance knowledge.

What with the presence of Charlie, Harry Turkel, Lee Barrows and Al Costanza, there are very few facets of the Greek scene which have not been kicked about during the past week. It makes most of us long to get an even closer look by coming to Athens ourselves.

Best personal regards.

Sincerely,

BILL

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[13]Not found in Department of State files. The amended draft letter was attached to the Department's copy of the memorandum, May 8, by Dulles to Eisenhower on the subject, "Letter of Invitation to King Paul and Queen Frederika of Greece." (781.11/5–853)

[14]No record of conversation with Markezinis upon his return from Canada was found in Department of State files.

No. 442

881.00/5–1553

The Mutual Security Administration to the Greek Minister of Coordination (Markezinis)[1]

CONFIDENTIAL

AIDE-MÉMOIRE

On May 9, 1953, the Deputy to the Director for Mutual Security informed the Minister of Coordination of Greece, in connection with a discussion of United States assistance for further economic development in Greece, that:

1. The Government of the United States expresses its interest in and sympathy for the Greek Government's desire to continue the economic development of Greece. Although the Government of the United States is unable at this time to make any firm commitment as to the aid which will be available in the fiscal year 1954 and subsequent years, it will give prompt consideration to proposals for the use of previously allotted MSA funds or such new funds as may be provided in the future for the initiation of justified new investment projects and will expedite the necessary procedures to this effect. The Government of the United States understands that the Greek Government's investment proposals will be governed by the following:

a. Priority will be given to the completion of investment projects now underway.

b. Half the cost of each new project will be provided from funds other than United States aid.

c. The Greek Government undertakes to maintain a level of public investment consistent with its economic and financial stabilization program developed in collaboration with the MSA mission.

d. The Greek Government will assume the responsibility of completing projects initiated under the terms of this proposal.

e. Individual projects will be justified and reviewed in terms of their economic soundness in collaboration with the Mutual Security Agency.

f. Preference will be given to projects under private management in which there is a substantial private financial contribution.

The Government of the United States understands that the Greek Government will by the continuation of sound economic policies and the passage of appropriate legislation attempt to obtain

[1]This *aide-mémoire*, drafted by Porter and cleared with Corbett and with E subject to oral statements as agreed with Jernegan, was an MSA document transmitted through the Department of State and handed to Markezinis on May 15.

private financing for economic development in Greece. The Government of the United States will assist the Greek Government's efforts to interest American capital in investment possibilities in Greece.

WASHINGTON, May 15, 1953.

No. 443

781.5/5-2753

The First Secretary of Embassy in Italy (Unger), at Headquarters, Allied Forces in Southern Europe, to the Acting Director of the Office of European Regional Affairs (Parsons)

TOP SECRET NAPLES, May 27, 1953.

DEAR JEFF: With Admiral Carney's return to Naples, I have had an opportunity to get a more thorough and authoritative review of the circumstances leading up to Cy Sulzberger's story on "atom aid" for the Greeks and Turks.[1] You will recall that I sent you an excerpt from the records of the Ankara meeting[2] and told you that there was no discussion of this subject in Istanbul.

It appears that this latter point requires some modification. Although the records of the Istanbul meeting do not reveal it,[2] Admiral Carney states that the use of atomic weapons was touched upon in a discussion of the defense of Thrace. Various defense plans were reviewed by both the Greeks and the Turks for the benefit of the Admiral and his staff; they were evaluated and criticized by the NATO commanders; and they were correlated with the mission of the Sixth Fleet. In making this correlation, the planners were instructed to take into account the possibility of the use of atomic weapons and the present potential of the Sixth Fleet to deliver them. No "pledges" were, however, made.

In addition to this discussion, there had been a previous meeting in Athens on April 1 between Carney and his staff on the one hand and the Greek National Defense General Staff on the other, reviewing the same ground later covered in Ankara. The record on the atomic weapons item reads as follows:

"*Implications of atomic weapons in NATO plans and programs*

Admiral Carney said that although the authority to release a limited amount of information on atomic weapons had not been re-

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[1] After meeting with Kanellopoulos in Paris on Apr. 28, Sulzberger wrote that Carney secretly promised strategic and tactical atomic support to Greece and Turkey in event of war. (Sulzberger, *A Long Row of Candles*, p. 867)

[2] Not further identified.

ceived until CPX-2, a small group at HAFSE has been working on the subject for a long time. As soon as SHAPE directives are received, CINCSOUTH intends to interpret them as they affect the Southern Command and to issue appropriate directives to all commands and countries. Action will be initiated to review the remainder of the 1953 training program in order to give greater emphasis to the use of atomic weapons, and the entire 1954 program must be constructed with this in mind. As the capability for the use of atomic weapons in support of tactical operations is developed, a more aggressive viewpoint in planning must be taken. All Services must plan and train for the offensive use of the weapons as well as defense against them. Civil Defense against an atomic attack must be given great emphasis. The Admiral added that although it is politically and budgetarily attractive to believe so, the availability of atomic weapons in no way justifies a reduction of forces. It is extremely important that General Kitrilakis make this point clear to Minister of Defense Canellopoulos. General Schlatter[3] pointed out that the planning for the use of atomic weapons is very similar to planning for other weapons and that tactical commanders are primarily interested in the type of targets which can be attacked and the weapons' effect. The General pointed out that the use of the weapons increases the requirement for flexibility in the use of aircraft and in logistics support at air fields. General Byers[4] said that there will be four courses in atomic training, one for General officers of three days duration which will begin on 28 April. Courses for Staff officers will begin in early May. Allocation of spaces is now being made in Naples and General Kitrilakis will be informed as soon as possible, possibly by the end of this week (4 April)."

As this excerpt indicates, these discussions all stem from material which was released to officers from NATO countries and considered at the CPX-2 Paris Conference (March 7–14). At that conference, the US disclosed (in an off-the-record session) that it had developed certain new tactical as well as strategic atomic weapons and that these had been tested for both defensive and offensive purposes in conjunction with troops and standard military equipment. No "pledge" was made to place these weapons in actual service for NATO, although it was understood that future NATO planning would take them into account. Admiral Carney points out that authority for the release of further information on this subject has been delegated by US authorities only to SACEUR (and perhaps SACLANT) and does not extend to any subordinate commanders such as CINCSOUTH. It is not necessary to point out that CINCSOUTH does not enjoy the authority to "pledge" atomic support to any of our allies.

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[3]Lt. Gen. David M. Schlatter, Commanding General, Allied Air Forces, Southern Europe.

[4]Maj. Gen. Clovis E. Byers, Chief of Staff, Headquarters, Allied Forces, Southern Europe.

So much for the background on the story. Where Sulzberger picked up the information is difficult to say. The Admiral has felt full confidence in the security practices of both the Greek and Turkish General Staffs and has no reason to attribute the leak to them. He knows, as doubtless you do, that Sulzberger has very good sources, particularly in Greece. Further than that he does not care to speculate and I doubt that speculation would be of much value to us at this time.

I think you should not overlook the possibility of pure, unadulterated deduction as a factor in this article. Several of the facts, such as Turkey's alleged preoccupation with the Caucasus at the expense of Thrace, are not accurate and do not demonstrate a perfect pipeline to the Truth. The fact of the Paris dateline might add more than a little substance to the possibility of pure "period prospecting" as distinct from fully informed reporting. At any rate, I think we have exhausted pertinent information here and can offer you no more enlightenment than those items recited above.

LEONARD

No. 444

611.81/5-2853: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State

SECRET ATHENS, May 28, 1953—4 p. m.

3476. Subject: May 27 conversation of Secretary and Mr. Stassen with Prime Minister[1] and other members Greek Government.

A. Secretary and Prime Minister.

1. In conversation May 27 which lasted one hour Prime Minister:

(a) Expressed appreciation United States leadership in struggle against USSR and personal contribution Secretary and stated Greek Government and people prepared make any sacrifice required to protect independence and support common defense effort.

(b) Emphasized importance public psychology and need free people be prepared new sacrifices. Greek people understand that geographic location and strength adversaries require them make sacrifices in support of extraordinary large forces. Strong, homogeneous government has not hesitated take unpopular and even harsh measures when required.

(c) Expressed deep concern that unless free nations are united and pursue objectives through common firm policy, Soviets may succeed efforts shatter unity Allies or in disrupting rhythm rearmament. Recent Soviet tactics should be met with reserve. Consid-

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[1]For a memorandum of conversation by Schnee, May 27, on Dulles' meeting with Papagos, see vol. IX, Part 1, p. 154.

ered it significant that Bidault, who visited Athens after Churchill foreign policy speech,[2] stated indications allied disunity should be avoided all costs.[3]

(d) Re military cooperation with Yugoslavia and Turkey, stressed role Balkan front would occupy in event hostilities, pointing out that given matériel support, front could become theater of active operations threatening flank Soviet Armies Europe. Italian-Yugoslavian *rapprochement* would further strengthen area. His conversations with De Gasperi[4] and Popović[5] indicate they both appreciate value such *rapprochement* and Prime Minister believes Trieste situation may improve after Italian elections.

(e) Strong plea for representation in MEDO, "at least symbolically as in Korea". If not represented in some capacity, Greek people would react unfavorably. Problem will be more difficult if headquarters established Cyprus. Government following realistic policy re Cyprus, but no Greek Government can afford ignore this issue.

2. Secretary in turn extended greetings President, cleared with Prime Minister invitation King and Queen visit United States in fall,[6] expressed thanks for new Embassy site, referred conversations with Markezinis[7] (this came at close of meeting and there was no opportunity discuss economic questions although Prime Minister remarked that economic aid could not continue indefinitely and that Greece only wanted assistance to permit it become self-supporting) and made following substantive comments:

(a) Personal letter from Prime Minister to President.[8] Expressed President's deep appreciation these proposals and said United States views would be forthcoming. In particular United States appreciates offer augment Greek forces Korea; decision will depend on current discussions Korea. When Papagos observed that "borders of Greece are where fighting is going on", Secretary commented on fine spirit Marshal which, if shared by others to same extent, would strengthen free world.

(b) Soviet Union. United States recognizes possibility fundamental change, but evidence to date indicates change tactics only. These tactics designed weaken resolution free nations and should be thwarted. Prime Minister agreed.

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[2]For Churchill's speech in the House of Commons, May 11, see *H.C. Debs.*, 5th series, vol. 347, col. 883; extracts in *Documents* (R.I.I.A.) for 1953, p. 57.

[3]The statement by Bidault, who visited Greece on May 15, has not been further identified.

[4]De Gasperi visited Greece, Jan. 8–12, 1953. During his stay in Athens, he had discussions with Papagos and Stephanopoulos and was received by King Paul. (*Keesing's Contemporary Archives, 1952–1954*, vol. IX, p. 12082)

[5]Popović's conversation with Papagos has not been further identified.

[6]During his visit to Greece, Dulles extended on behalf of Eisenhower an invitation to the King and Queen to visit the United States in the autumn of 1953. (Department of State *Bulletin*, June 8, 1953, p. 818)

[7]Regarding Markezinis' visit to the United States, see Documents 438–442.

[8]See footnote 2, Document 439.

(c) Re Prime Minister reference to "rhythm of rearmament", Secretary stated adjustments in United States defense budget designed achieve rate rearmament which can be sustained over period time. President Eisenhower in 1951 had expressed philosophy of relationship between military forces and productive capacity behind them. Some slight adjustment may be necessary to achieve balance. This became United States policy after elections. United States still devoting 60 percent budget to defense, but wishes avoid inflationary prices which would make maintenance defense effort impossible. Not by single dollar do United States budget adjustments reflect weakening defense effort in response recent Soviet tactics. Morale factor, which Prime Minister correctly rated of great importance, also requires that attention be focused not only on defense build-up, but also on economic and financial factors.

(d) MEDO. During course trip Secretary gained impression MEDO will proceed slowly and therefore, it not yet in order consider site of headquarters. If there should be consideration of site which has so much historical significance Greece, views Greek Government will be considered.

(e) British-Egyptian difficulties present very disturbing problem and we must all exert maximum influence prevent hostilities. Prime Minister readily agreed.

(f) Secretary expressed appreciation for Greek initiative in strengthening Balkan defense and agreed with concept of offensive strategy.

(g) US appreciation of fact Greece has strong government capable of making important military contribution and of taking necessary action economic field.

B. During conference Foreign Office Minister and Ministers Coordination, National Defense, Commerce and Finance, Secretary again emphasized necessity find proper balance between economic and military effort.[9] Stressed United States welcome economic planning by Allies which would permit cessation United States aid. Stassen pointed out Greece presently in strong position because of large pipeline of military and economic aid from previous appropriations. Economic aid could be used start new capital investment projects where projects approved and within limits of funds available. Pointed out that present administration as matter of policy relies on private sources to finance capital investment programs to maximum extent and that while interest United States in future economic and military developments continues, major responsibility rests on people and government in Greece.

Minister National Defense made plea for re-examination of growing Greek military expenditures resulting NATO obligations and for additional equipment for Greek Army which was to serious dis-

[9]For a memorandum by Anschuetz, May 27, on Dulles' meeting with Stephanopoulos, Tsouderos, Kanellopoulos, Thanos Kapsalis, Minister of Commerce, and Constantine Papayiannis, Minister of Finance, see vol. IX, Part 1, p. 160.

advantage vis-à-vis Bulgarian forces, particularly in regard tanks and artillery.

Aide-mémoire setting forth Greek views on MEDO submitted at conclusion conference.[10]

PEURIFOY

[10]Dated May 27, it emphasized the importance of Greek participation in any Middle East defense organization. (611.80/5–2953)

No. 445

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 148th Meeting of the National Security Council, Washington, June 4, 1953[1]

TOP SECRET EYES ONLY

The following were present at the 148th meeting of the Council: The President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Deputy Secretary of Defense; the Director for Mutual Security. Also present were the Secretary of the Treasury; the Attorney General (for Items 2 and 3); the Director of Defense Mobilization; the Director, Bureau of the Budget; the Acting Chairman, Atomic Energy Commission (for Item 2); the Acting Secretary of Commerce (for Items 4 and 5); the Secretary of the Army (for Item 2); the Secretary of the Navy (for Item 2); H. Lee White for the Secretary of the Air Force (for Item 2); Lt. Gen. Idwal H. Edwards, Chairman, Special Evaluation Subcommittee of the NSC (for Item 2); Walter S. De Lany, Office of the Director for Mutual Security (for Item 4); Kenneth R. Hansen, Office of the Director for Mutual Security (for Item 4); General Collins for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Deputy Director of Central Intelligence (for Item 2); . . . ; Robert Cutler, Special Assistant to the President; Lewis L. Strauss, Special Assistant to the President; C. D. Jackson, Special Assistant to the President; the NSC Representative on Internal Security (for Item 2); . . . ; Herbert Blackman, Department of Commerce (for Items 4 and 5); the Military Liaison Officer; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

[Here follows discussion of agenda items 1–6 on the situation in Korea, Soviet atomic energy capabilities, summary evaluation of the net capability of the U.S.S.R. to inflict direct injury on the United States up to July 1, 1955, effect on national security inter-

[1]Drafted by Gleason on June 5.

ests in Latin America of possible anti-trust proceedings, review of economic defense policy, purchase or sale of strategic commodities abroad for shipment to the Soviet Bloc, and the position of the United States with respect to the Communist threat to Italy.]

7. Greek Offer of Additional Troops for Korea.

Secretary Dulles questioned the desirability of accepting this Greek offer, in view of the present status of the Korean negotiations.

The President stated emphatically that, regardless of the armistice in Korea, he was anxious to have these additional troops there, since they would relieve American boys and could be maintained cheaper.

Secretary Dulles was worried that this offer was tied directly to a simultaneous Greek request for additional economic aid.

The President stated that as far as he was concerned, these were two entirely separate matters.

The National Security Council:

Noted the President's desire that the offer of additional Greek troops for Korea be accepted in militarily feasible units, with the understanding that such acceptance does not involve a commitment by the United States to provide additional economic aid to Greece.

Note: The above action subsequently transmitted to the Secretaries of State and Defense for implementation.

[Here follows discussion of agenda item 8 on NSC status of projects.]

S. EVERETT GLEASON
JAMES S. LAY, JR.

No. 446

Athens Embassy files, lot 59 F 48, 53

President Eisenhower to Prime Minister Papagos[1]

WASHINGTON, June 5, 1953.

DEAR MR. PRIME MINISTER: I was happy indeed to receive your thoughtful and friendly letter of April 29, 1953,[2] which Mr. Markezinis brought to me. I have refrained from replying until Mr. Dulles, with whom I discussed your letter prior to his departure, could give me his impressions of his recent trip to Greece and other countries.

The sentiments you express in your letter indicate that the bonds of friendship which unite our two peoples are strong and enduring. It is a matter of particular pride and comfort to know that a people with the glorious history and achievement of the Greeks stand resolutely at the side of the American people and face with them the problems which confront the free world today. Your understanding of these problems makes it clear that Greece is fortunate to have such a leader as yourself as the head of her Government.

I understand Mr. Dulles discussed with you in Athens, in the light of the present truce negotiations, your generous offer to recommend an increase in the number of Greek troops now fighting in Korea at the side of their United Nations allies. As I indicated to Mr. Markezinis, our awareness of your efforts to place the economy of your country on a sound footing makes us all the more appreciative of your willingness to increase your own burden in Korea. On behalf of the United States, which bears the responsibility for the Unified Command in Korea, I accept this offer. I am informed that the Department of State will communicate with representatives of your Government in order to make the necessary arrangements for utilizing additional troops in Korea.

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[1]Drafted by Porter and cleared with Baxter, Jernegan, Wainhouse, Wolf, Nolting, and Nash (Defense). Transmitted to Dulles with a covering memorandum, June 2, by Byroade, and then forwarded to Eisenhower with a covering memorandum, June 4, by Dulles. (611.81/6–253) A covering letter, June 5, by Dulles instructed Peurifoy to emphasize to Papagos that acceptance of additional Greek troops for Korea did not commit the United States to provide additional economic assistance to Greece. When Peurifoy delivered Eisenhower's letter on June 11, he pointed out that the prospective $20 million economic assistance for Greece in fiscal year 1954 referred only to new money and that Greece, with a very large pipeline of goods purchased with American funds, would have much more aid available in the coming fiscal year than was suggested by the new aid figure. The Embassy in Athens reported that Papagos seemed quite satisfied with the prospective level of economic assistance. (Despatch 1444 from Athens, June 15; 781.5 MSP/6–1553)

[2]See footnote 2, Document 439.

I believe that your intention to maintain Greek armed forces at their present strength, and to increase them if necessary, is a very wise decision. Although, as you note in your letter, there is much talk of peace, I have repeatedly said that we must not permit such talk to deceive us. We are far from certain that the originators of this peace talk intend to back up their words by deeds, and my frank opinion is that only a strong military posture on our side will induce them to do so. I therefore welcome your assurance that the fine fighting forces of Greece, whose valor has been praised since the earliest days of history, will be kept intact.

I deeply appreciate the considerations which have led you to offer to recommend that your King and Government accept a proposal for base rights for American armed forces in Greece. It is gratifying to receive this further evidence of the acute awareness of the Greek nation to the threat to the free world and this demonstration of its willingness to continue to contribute to the collective effort to prevent aggression. We are now studying the requirements for base rights in support of NATO plans and your generous offer will be considered in this connection. When this study has been completed we shall be in a position to explore this matter further with you.

I wish also to express to you my thanks for the fact that your Government is making common cause with us in our efforts to secure closer collaboration among our European allies. Like you, I am a firm believer in the old adage that in unity there is strength, and I would like at this point to praise the wisdom and statesmanship of your Government in pursuing and achieving a pact with your friendly neighbors which adds much to the common security in southeastern Europe. The determination with which your Government followed this aim deserves the highest praise, especially when considered in the light of recent history. Under an enlightened leadership, Greece cannot fail to play an increasingly important role in world affairs. Certainly, as matters stand, she is a beacon of hope to all lovers of freedom.

I extend to you and to Mrs. Papagos the very best personal wishes of Mrs. Eisenhower and myself. We hope and pray that God will continue to bless the great work you have undertaken in behalf of your country.

Sincerely,

DWIGHT D. EISENHOWER

No. 447

123 Peurifoy, John E.: Telegram

The Ambassador in Greece (Peurifoy) to the Department of State

TOP SECRET PRIORITY ATHENS, July 13, 1953—3 p. m.

121. When I called on Papagos and Stephanopoulos to present request for Cannon's *agrément* (reference Embtel 118, July 13),[1] Marshal, who had already learned of impending change from Greek Embassy in Washington, was in more belligerent mood than I have ever seen him. He opened conversation by saying, "we know who is responsible for this" and then launched into diatribe against Palace, and particularly against Queen, whom he accused of intriguing against me over long period and even of urging Secretary during his recent visit to Greece that I be recalled. Papagos declared that time had come to determine whether constitutional Government of Greece or Palace had decisive influence over Greek relations with US and that "this means open warfare between Palace and government.

He indicated intention to leak to press immediately story that Queen was responsible for my removal. I strongly urged him not to do so and finally obtained assurance that he would not. In view of fact, however, that he has already sounded off along same lines to several of his Ministers, it is not unlikely story will leak before too long.

Marshal also declared his intention of writing letter for immediate despatch direct to President Eisenhower.[2] He intends to transmit letter through channels other than Greek Embassy since he does not trust Politis, whom he will remove from Washington very shortly. I strenuously objected to this proposal pointing out such action would only be keenly embarrassing to me.

As Department will observe, revival of smoldering but recently dormant warfare between Palace and Marshal, and over issue highly embarrassing to US, and to me personally, seems imminent. (See Embdesp 11, July 3.)[3] Such development would be harmful to

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[1]In telegram 118, Peurifoy reported that he transmitted to Stephanopoulos the request for an *agrément* by Greece on Cannon as next Ambassador to Greece on July 10, and Stephanopoulos assured him that the Greek reply would be shortly forthcoming. (123 Cannon, Cavendish W.) *Agrément* to Cannon's appointment was announced by Stephanopoulos on July 17. (Telegram 174 from Athens, July 17; 123 Peurifoy, John E.)

[2]Papagos dispatched a letter to Eisenhower via the Greek Embassy. (Telegram 141 from Athens, July 15; 123 Peurifoy, John E.) Papagos' letter has not been further identified.

[3]In despatch 11, Peurifoy reported on a recent conversation with Markezinis who expressed his views on the situation in Greece, including developments in relations

Continued

political stability in Greece, so recently achieved with our help, and to Greek-US relations.

In view Papagos' extreme sensitivity to any encroachment his personal authority and possible serious local political implications of open collision between Papagos and Palace, I would like to be able assure Papagos Palace did not directly or indirectly approach you, notwithstanding fact it is widely known in high Athens circles that Palace has long hoped for my removal.[4]

PEURIFOY

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between the Palace and government, after his return from the United States on June 9. Peurifoy informed the Department of the need for extreme caution in order to avoid being drawn into a personal contest between the Palace and the government. (781.00/7–353)

[4]Telegram 162 to Athens, July 16, informed Peurifoy that he might assure Papagos that the Palace made no approach directly or indirectly regarding Peurifoy's recall. (123 Peurifoy, John E.)

No. 448

711.56381/8–1453: Telegram

The Chargé in Greece (Yost) to the Department of State[1]

TOP SECRET NIACT ATHENS, August 14, 1953—6 p. m.

431. Noforn. Reference Embassy telegram August 11, sent Department 387.[2] Prime Minister called me in this morning to say that, after consultation yesterday with His Majesty, he was happy to inform me Greek Government accepted unreservedly United States proposal for establishment military bases in Greece. He said he considered this historic event of greatest significance to both countries. He then added that he desired to issue immediately following press communiqué:

"With deep satisfaction, I declare, that following a request from the United States Government, the Greek Government in full agreement with His Majesty the King have decided to grant air bases for United States forces. As soon as the negotiations for all details will be finished, the Greek Government will submit to the Chamber the pertinent law according to the Greek constitution.

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[1]Transmitted in two parts and repeated to Frankfurt for Satterthwaite and CINCEUR, to Paris for USRO and Reinhardt, to Rome for Maffitt, to London for CINCNELM, and to Wiesbaden.

[2]Telegram 387 reported on Yost's discussion of the proposed military facilities agreement with Papagos on Aug. 11. (711.56381/8–1153)

The above agreement—clearly of a defensive nature—is another proof of the indissoluble bonds of friendship which exist between the two countries and firmly assures the security of the country".

I signified deep appreciation for prompt and sweeping acceptance of our proposal. I expressed serious doubt, however, whether my government would wish to make public announcement so rapidly, pointing out that coordination with NATO was involved and that there might be other factors in our foreign relations which would make immediate announcement untimely. Marshal replied that British will be strongly opposed to this agreement and will, as soon as they hear of it, do everything in their power to sabotage and delay. These obstructions might unfortunately have considerable success. He therefore expressly wished to confront British and NATO with *fait accompli.*

After considerable argument, he reluctantly agreed to postpone press release in order to give me opportunity to obtain views of my government. He hopes to receive our reply in two or three days. He would not object to NATO Council being given prior notice of agreement by United States and Greek representatives, provided its concurrence was not asked and public announcement was made immediately thereafter.

After meeting with Marshal, at which Stephanopoulos and Markezinis also present, latter gave me following additional explanation. He emphasized earnestness of Marshal's and his conviction that British will do all in their power to obstruct agreement and may succeed in creating interminable delays, whereas otherwise he would hope that detailed bilateral negotiations by our two governments might be concluded within two or three weeks. He also urged that, once King is informed, as Greek constitution requires, security can no longer be assured and facts may leak to public in near future. He even suggested King might inform Mountbatten[3] today since these two are expected to meet in earthquake area.[4]

On positive side, Markezinis urged that immediate announcement this agreement would have most salutary effect in checking spirit of apathy and appeasement now prevalent in Europe. It would warn USSR, he argued, that we are not slackening our defense, it would hearten those in western European countries who are opposing excessive reduction in military programs and would strengthen hand of United States in negotiating for bases in other countries.

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[3]Adm. Louis F. Mountbatten, Earl of Burma, Commander-in-Chief, Allied Forces, Mediterranean.

[4]In the Ionian Islands.

We of course realize that there may be factors in our general foreign relations which would make it unwise for an announcement of this kind to be issued at this time. Solely from the local Greek point of view, however, we would hope we might be able to agree to joint announcement in very near future, perhaps after appropriate notification to NATO. Greek Government has accepted our proposal with great enthusiasm (though they have not yet studied detailed agreement) and has feeling of having taken historic decision of greatest significance. If we cool their enthusiasm by insisting upon considerable delay in public announcement, we run risk not only of possible interference of other powers to which Papagos refers, but also of causing Greeks to be infinitely more sticky and demanding in ensuing detailed negotiations.

If we do decide to go ahead promptly, however, we should have one point clearly in mind. When we first proposed this matter to Papagos he emphasized repeatedly that Greece could not assume any military burden over and above what it already bears and therefore could not commit itself to additional expenditures as a result of this agreement. All American representatives here are agreed that Marshal is correct in stating Greece cannot increase its military expenditures. Additional burden imposed by most disastrous earthquake in modern Greek history redoubles force of this judgment. If we proceed with this agreement therefore we should recognize that United States would have to assume all or practically all of costs involved. If Greek Government did contribute land and utilities, as draft agreement envisages, we would be expected to provide compensatory assistance in some other field. In their present mood, Greeks would probably accept without too much quibbling, agreement along lines draft despatched by Department, but they would expect in return definite understanding we would cover or compensate for costs not already provided for in Greek budget.

In summary, we would recommend concurrence in early release of joint announcement provided external factors do not rule it out and provided we feel mutually satisfactory financial arrangement can be worked out later.

YOST

No. 449

711.56381/8-2253: Telegram

The Chargé in Greece (Yost) to the Department of State[1]

SECRET ATHENS, August 22, 1953—5 p. m.

550. Noforn. Reference Embassy telegram 431, August 14.[2] For negotiations on bases Prime Minister designated Markezinis to discuss "high policy aspects" with me and Ministers of Defense and Finance to carry on detailed negotiations with US team. Both groups had initial meetings yesterday. Discussions of second group are being reported separately.[3]

Gist of Markezinis remarks to me follows. Strong support which US and NATO are obtaining from Greece in wide variety of fields including bases, troops for Korea, maintenance of disproportionately large standing army, et cetera, is conceivably only under Rally Government. Alternative to Rally is unstable center-left center coalition led by Papandreou and Kartalis, which would certainly not carry out these measures. Factor which will determine whether Rally Government remains in power for four years or breaks up sometime during next twelve months will be whether its economic program is successful in improving to modest extent well being of Greek people. Basic difficulties arising from Greek poverty and military obligations are enhanced by earthquake disaster.

Markezinis, therefore urges US Government do all in its power, particularly during coming year, to assist in meeting Greece's economic problems. He mentioned specifically following possibilities: (1) expenditure of funds available for bases in such way as to maximize benefits to Greek economy, (2) application of military aid to projects, such as roads, also having economic significance, (3) whole-hearted cooperation of FOA in assisting prompt realization of some important elements of investment program, (4) new aid specifically earmarked for repairing earthquake damage, (5) Eximbank loan, (6) encouragement to IBRD and private investors to place capital in Greece. Markezinis concluded by saying that, regardless of whether such assistance is forthcoming, Rally Government will endeavor to continue its close support of US but that if

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[1]Repeated for information to Frankfurt for Satterthwaite and USCINCEUR, to Rome for Maffitt, to Paris for USRO and Reinhardt, to London for CINCNELM, and to Wiesbaden.

[2]*Supra.*

[3]Telegram 554 from Athens, Aug. 22, reported on the first session of the Greek and U.S. teams negotiating for a military facilities agreement in Athens on Aug. 21. (711.56381/8-2253)

government fails and is overthrown many of programs in which we are interested will in fact not be carried out.

It is, of course, clear that Markezinis is taking advantage of base negotiations to seek increase in US aid and thus strengthen position of his government. He has been careful, however, to accept our base proposal in advance and hence not give impression of attempting blackmail. Moreover, his basic thesis, that we could expect to receive only from Papagos–Markezinis government strong support of character now being accorded, is undoubtedly correct. Government based on present opposition parties would reject or stall off some of requests being granted by present government and would exact high price in advance for acceding to others.

We, therefore, believe that it is definitely in US interest, without openly aligning ourselves with Rally Government and without granting Markezinis more extravagant requests, to use means at our disposal for assisting, to reasonable degree, in meeting government's economic problems. Closer US-Greek military collaboration arising from base agreement and humanitarian appeal of earthquake disaster should provide justification for such policy. We hope Department will urge action along these lines upon other interested US agencies.

In this connection, any cut in FY 1954 aid figure below expected $20,000,000 (Deptel 617, August 21)[4] would cause intense embarrassment to Greek Government and, coming immediately after earthquake and base agreement, might cause Papagos and Markezinis seriously to question whether their policy of close collaboration with US is worthwhile.

YOST

[4]Telegram 617 reported that FOA in consultation with the Department of State was considering a redistribution of aid amounts by country because appropriations for defense financing and economic aid for Europe were approximately 30 percent below the amount requested. (123 Cannon, Cavendish W.)

No. 450

711.56381/8-1453: Telegram

The Secretary of State to the Embassy in Greece[1]

TOP SECRET WASHINGTON, August 28, 1953—7:38 p. m.

725. Careful consideration Greek proposal (Embtel 431)[2] in light

[1]Drafted by Dixon and Rogers and cleared with Admiral Smith (Defense), Byroade, Richards, Bonbright, and Matthews. Repeated for information to Paris for USRO and Reinhardt, Frankfurt for USCINCEUR and Satterthwaite, to Rome for Maffitt, and to Valletta.

[2]Document 448.

anticipated or potential effects on foreign relations US lead us to conclude public announcement this time concerning grant US airbases Greece should not be made. Conclusion based following factors:

. . . . . .

B. Although there may be some advantages from local Greek point of view in public announcement believe they are counterbalanced or outweighed by attendant disadvantages locally. Announcement very likely create Balkan tensions with resulting undesirable effect on Greek political stability and economy. We have in mind such things as propaganda barrage from Free Greek Radio and Bulgarians, renewal border troubles, increased communist activity Greece, as well as possible disruptive communist machinations along pattern post-guerrilla-war type.

C. Confrontation NATO with *fait accompli* contrary to spirit NATO cooperation and to established procedures. Consider announcement would tend arouse apprehension among NATO partners that US playing separate game and tend strengthen impression held by some that US policy over-aggressive in sensitive areas. SAC requirements do not require prior notification to NATO although we will inform Standing Group of Agreement when reached. Navy requirements included in 4th slice infrastructure and therefore do not require new approval.

D. We do not concur Greek assessment as to strength British intentions and ability obstruct agreement. In our view *fait accompli* more likely provoke British interference. We intend inform British re negotiations at an early date (see separate telegram)[3] in order allay suspicion or fear which partial information re SAC requirements might stimulate. If British interference develops we prepared make representation UK Foreign Office.

E. We are attempting avoid wherever practicable publicity concerning base arrangements in general in order avoid public speculation and discussion. Certain arrangements are politically sensitive both internationally and within host countries. Also we anxious avoid debate concerning non-registration with UN of agreements which for security reasons are unpublishable.

F. FYI only. Do not believe burden on Greek economy should be great (see separate telegram).[4] We fear inference that Greeks might use grant base rights as leverage obtain concessions in other fields notably increased aid. Public announcement would strengthen Greek hand this respect. End FYI.

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[3]Telegram 726 to Athens, Aug. 28, contained instructions to inform the British that exploratory discussions were initiated with the Greeks for acquiring military facilities to fulfill U.S. naval and air requirements in Greece in support of NATO. USAF requirements involved SAC use of airbases in Greece for fighter escort and emergency post strike purposes. (711.56381/8–2853)

[4]Not further identified.

Proposed military facilities actually represent primarily extension physical facilities already constructed under US aid program. Stationing of personnel these locations would be gradual process. As such Department intended it should give appearance at least in initial stages of continuation of previous aid activities, though we cannot publicly and positively identify it as continuation previous aid program. Logical course would seem be maintain secrecy by allowing this impression to prevail as long as possible until tangible evidence should become so apparent or other events make some explanation necessary.

While we appreciate sincerity and enthusiasm Greeks in wishing announcement this decision we convinced that to do so would work to detriment of both US and Greek interests. Embassy should therefore discuss foregoing with Greeks emphasizing points A–E above and obtain assurance maintenance secrecy negotiations.

DULLES

No. 451

711.56381/8–3153: Telegram

The Acting Secretary of State to the Embassy in Greece[1]

SECRET WASHINGTON, September 18, 1953—2:20 p. m.

960. Noforn. State–Defense message. ReEmbtel 663[2] final para re Greek plan seek parliamentary approval expurgated form Agreement. Agreement for military facilities we seek with Greeks actually constitute arrangements in implementation Article III NAT which treaty already ratified and registered with UN. We will not submit Agreement for Senate consent ratification here or register with UN and strongly hope Greeks will not do so. Should Greeks seek parliamentary approval, question US ratification would undoubtedly be raised publicly here and probably stimulate undesirable public discussion. Submission Greek Parliament would likewise invite UN controversy and elsewhere re UN registration

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[1]Drafted by Dixon and cleared with Richards, Charles E. Rogers (RA), Yingling, Admiral Smith (Defense). Donald D. Kennedy (SOA), and Barbour. Repeated to Rome for Maffitt and Alpern, to London for CINCNELM, to Bonn for CINCEUR and Satterthwaite, to Wiesbaden for USAFE, to Heidelberg for USAREUR, and to Valletta for Paul E. Paddock, Jr.

[2]Dated Aug. 31, telegram 663 reported that the Greek Government insisted on presenting the general agreement at least in expurgated form to Parliament and that it might be dangerous for the United States to urge prolonged delay of ratification. The Embassy in Athens hoped that secrecy could be maintained for at least some weeks with Greek cooperation. (711.56381/8–3153)

(Deptel 725[3] para E), in turn raising question other agreements US has or seeking about which are varying degrees public awareness. Certain aspects these arrangements cannot be made public for military security reasons and in many cases facilities arrangements contain provisions which if known would create political difficulties domestically for other governments concerned. In certain instances revelation existence such arrangements would increase East-West tension and render host country position more vulnerable. Other governments have insisted on secrecy arrangements for these reasons.

Presentation abridged agreement Greek Parliament would inevitably provoke debate and probing in Parliament and press speculation as to US military program resulting possible undesirable misunderstanding of further revelation substance agreement.

Embassy requested urgently explain Greeks above views and press strongly for abandonment plan present facilities agreement to Parliament. We consider most important no public discussion be permitted concerning these agreements. However, should Greeks be adamant re submission Parliament, we would not wish press matter to point of jeopardizing successful conclusion of negotiations. Furthermore if Greeks insist you will be authorized yield but we would wish discuss with Greeks form and timing submission to Parliament. In lieu specific parliamentary ratification or approval government might seek enabling legislation or other form parliamentary authorization for Executive Branch conclude type agreement which we seek. This form parliamentary sanction could be accomplished without revealing substance or nature our proposed agreement. Ratification SOF could provide natural opportunity for such legislation without attracting attention. Greece now in position ratify SOF. Ratification SOF however does not itself constitute enabling authority station troops in that country. Therefore Parliament might pass enabling legislation concurrently with SOF ratification composed of simple language roughly along following lines: "Prime Minister authorized permit reception foreign forces, civilian components and dependents, and arrange for installations for their reception and use as might be required in implementation Article III NAT". Should this line be followed, wording should be developed carefully and fully agreed between us.

Either without parliamentary action or with it on abridged agreement Greek Government may wish discuss agreement appropriate members Parliament or opposition party. We would have no objections if done on need-to-know basis and would like be informed if such action taken.

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[3]*Supra.*

Report earliest.

SMITH

No. 452

711.56381/9-2453

Memorandum of Conversation, by the First Secretary of Embassy in Greece (Schnee)

SECRET ATHENS, September 24, 1953.

Participants: Ambassador Cannon
Prime Minister Papagos
Mr. Schnee—Special Assistant for NATO Affairs
Mr. Calligas—Embassy Translator

Subject: Military Facilities Agreement
(1) Parliamentary Action
(2) Publicity

References: Deptels (a) 960[1] and (b) 962 of September 18.[2]

Pursuant to the instructions set forth in the telegrams under reference Ambassador Cannon called on the Prime Minister at noon today, and in the course of a 30 minute conversation conveyed the U.S. views regarding the undesirability of submitting the projected agreement to Parliament and reiterated the U.S. view that publicity should be deferred as long as is feasible and that—if and when necessary—the public reference could be limited to a public statement to the effect that action is being undertaken in furtherance of the defense effort.

After Ambassador Cannon had briefly outlined the purpose of the call, the Prime Minister observed that he was leaving for Italy tomorrow (to be gone about 10 days) but that he hoped the agreement could be signed and a public statement issued shortly after his return. He considers it important that a public statement be issued as soon as the agreement is signed.

The Ambassador then took up the problem of parliamentary action, setting forth the basis of the U.S. objections to such action as set forth in reference (a) but neither indicated that the U.S.

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[1] *Supra.*

[2] Telegram 962 reviewed arguments against announcing the Military Facilities Agreement, but agreed to yield on that point if the Greek Government remained adamant for an announcement. It also authorized U.S. signature of the agreement and indicated willingness to release 15 billion drachmas of counterpart funds to the Greek Government in fiscal year 1954 for use in meeting the additional financial burden accruing from the agreement. (711.56381/9-153)

would be prepared to yield on this matter nor suggested the alternative of general enabling legislation.

The Prime Minister in reply stated that the Constitution required the Greek Parliament to ratify any agreement which provided for the ceding of bases and that, unlike the U.S. position outlined by the Ambassador, the King did not have the power to conclude such agreements without parliamentary action. If he did so, there was a real danger that the agreement would be declared void. Furthermore, the Prime Minister is convinced that it would be very harmful from a public relations point of view if the Government could be accused of having withheld such important information from Parliament and the public. He reiterated fears previously expressed that this subject cannot remain a secret much longer and that if the public were first informed through opposition inquiries in Parliament or through the press, the agreement might appear somewhat sinister to the public. Throughout this portion of the discussion the Marshal kept repeating the phrase, "this can't go on much longer", meaning the present secrecy.

Ambassador Cannon pointed out that in the United States a somewhat analogous situation existed between the President and Congress and that we are proceeding on the basis that Congressional ratification of the NATO Treaty—particularly Article III—provided the required legislative action and that agreements of the type under discussion merely implemented the action taken by the legislature when it ratified the NATO Treaty. The Prime Minister replied that legal experts would have to determine whether a similar interpretation would be feasible in Greece, that he thought Article III did not alter the constitutional requirement for legislative ratification but suggested that, in his absence, the subject be discussed with Mr. Markezinis and Mr. Kanellopoulos.

As noted, the question of publicity arose frequently during the discussion of the legislative aspects of the problem but in addition, the Ambassador reiterated the American objections again without indicating that the U.S. is prepared to compromise. It was agreed that the question of parliamentary action might have a direct bearing on the question of publicity and that the legislative question should therefore be resolved first.

Embassy Observations:

The Prime Minister made it crystal clear that he is convinced of the necessity of issuing a public statement as soon as the agreement is signed and that he considers it dangerous to defer public announcement any longer. He appeared equally adamant regarding the necessity for parliamentary ratification. In order to ensure that the Greek Government will make the maximum effort to meet

the American viewpoint no reference was made to compromise or alternate solutions set forth in the telegram under reference.

No. 453

Editorial Note

The Agreement Between the United States of America and the Kingdom of Greece Concerning Military Facilities was signed by Ambassador Cavendish W. Cannon and Greek Foreign Minister Stephanos Stephanopoulos at Athens on October 12, 1953. (4 UST (pt. 2) 2868, or 191 UNTS 319) In addition, Appendix I on implementation and Appendix II on the agreed requirements that may be utilized by the United States military forces in Greece, were signed by Cannon and Stephanopoulos at Athens on October 12. Despatch 476 from Athens, November 17, transmitted the Agreement and the Appendixes to the Department of State. (711.56381/11–1753) Amendment I to Appendix II on changes in the requirements that may be utilized by United States Military Forces in Greece, as set forth in Appendix II, was effected by notes exchanged at Athens by Cannon and Stephanopoulos on June 25, 1954. Despatch 107 from Athens, August 7, 1954, transmitted Amendment I to the Department of State. (711.56381/8–754) The Agreement entered into force by signature for the term of the period of validity of the North Atlantic Treaty. Procedure for termination was not stated. The Agreement was published, but Appendixes I and II to the Agreement and Amendment I to Appendix II were not made public. For text of the announcement of the signing on October 12, see Department of State *Bulletin*, December 21, 1953, page 863.

No. 454

611.81/10–3053

Memorandum of Conversation, by the Deputy Director of the Office of Greek, Turkish, and Iranian Affairs (Baxter)[1]

TOP SECRET [WASHINGTON,] October 30, 1953.

Subject: Call of Greek Foreign Minister on the Secretary

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[1]Cleared with Roderic L. O'Connor (S), A briefing memorandum, Oct. 30, by Jernegan to Dulles on this meeting is in Secretary's Letters, lot 56 D 459, "S".

Participants: Mr. Stefanos Stefanopoulos, Minister of Foreign Affairs
Mr. John D. Kalergis, Minister Counselor, Greek Embassy
The Secretary
Mr. William O. Baxter, GTI

The Greek Foreign Minister, who accompanied the King and Queen of Greece to Washington,[2] called on the Secretary this afternoon to discuss problems of mutual interest.

Trieste

The Foreign Minister opened the conversation by saying that he was optimistic about the Trieste situation. He had just talked to Ambassador Kyrou, Greek representative to the United Nations, and believed that, if the implementation of the October 8 decision were postponed,[3] Italy and Yugoslavia could work out an acceptable solution.

The Secretary echoed the same hope and referred to a suggestion made by Mr. Stefanopoulos at dinner the night before that the Trieste situation might be eased by a declaration to be signed by 15 of the 20 signatories of the Italian Peace Treaty, which events have proved is an unworkable document. (The Secretary indicated that he wished to have this suggestion explored.) In commenting on the gravity of the Trieste situation and the importance which he knew Greece attached to it, the Secretary expressed the hope that Greece and Turkey, because of their new treaty relationship with Yugoslavia, would continue to use their good offices with Tito to effect a peaceful settlement.

Yugoslav Military Talks

In this connection, the Secretary referred to the Talks held last August between military representatives of Yugoslavia, and of the United Kingdom, France and the United States.[4] Knowing the eagerness with which the Greek Government awaited a report on these talks, he regretted the delay occasioned not only by the somewhat cumbersome procedure for military clearance, but also by the unfavorable political climate resulting from the tension over Tri-

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[2]King Paul and Queen Frederika visited Washington, Oct. 28–31. For welcoming remarks by Eisenhower and an exchange of toasts by Eisenhower and King Paul at a White House state dinner, Oct. 28, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, p. 729.

[3]Reference is to the decision of the United States and the United Kingdom to relinquish administration of Zone A of the Free Territory of Trieste to Italy at the earliest practicable date. (Department of State *Bulletin*, Oct. 19, 1953, p. 529)

[4]A summary report of the tripartite military talks held in Washington in August 1953 is in file 611.68/8–2453.

este. The Secretary said he wished to take this occasion to give the Minister more detailed information, on a personal and informal basis, concerning the outcome of these talks. He was confident that the Minister would treat this with utmost discretion, knowing that the Italians had not yet been informed; it should also be understood that this did not constitute official notification to the Greek Government, which would be made at a later date probably through military channels.

The Secretary then paraphrased the following summary, which Mr. Kalergis translated for the Minister carefully, sentence by sentence.

The talks took place on the military level and were without political commitments on either side. They were held in an atmosphere of great frankness and cordiality and were very useful in clarifying the Yugoslav position. The Yugoslav's main object seemed to be to get Western agreement to modernize their forces. The conference started with an exchange of intelligence regarding the Soviet-Satellite threat to Yugoslavia; the Yugoslav appreciation did not significantly differ from that of the three Powers. The conference then turned to strategic matters. No NATO plans were revealed to the Yugoslavs but they were told that, militarily speaking, an attack on Yugoslavia would be unlikely to remain isolated. The value of the defense of Yugoslavia for the security of southeastern Europe was acknowledged. We discussed with the Yugoslavs the strategic concept to be adopted for the defense of Yugoslavia, and we found that their ideas were in very close accord with our own, particularly as regards the need to defend the Ljubljana Gap and to tie up with the Greek and Turkish forces in the south.

The Yugoslavs presented lists of material that would be necessary to equip Yugoslav armed forces on modern lines and estimates of logistics involved in supporting the Yugoslav armed forces in a time of war. No opinion was expressed on the Yugoslav figures and no undertakings were given that their requirements would be met, but the conference decided to recommend to the governments that the next stage should be a meeting of Tripartite-Yugoslav experts to examine the material and logistic problems involved. The conference also recommended that further operational studies should take place with the appropriate NATO commanders. The tripartite representatives stressed to the Yugoslavs that inevitably future military planning would be unrealistic unless the Trieste problem were first stabilized. The report of the conference is at present being studied by the various Chiefs of Staff.

The Foreign Minister interrupted the Secretary once in connection with the statement: "The value of the defense of Yugoslavia for the security of southeastern Europe was acknowledged." He asked if this were also the position of the United States Government. The Secretary explained that this was a military point of view which had not yet been given consideration on the political

level. It was, he thought, in the process of being appraised by the Joint Chiefs of Staff.

Bulgaria

The Minister stated that, as the Secretary knew, Greece had responded affirmatively to a Bulgarian suggestion for opening conversations with a view to the resumption of diplomatic relations. The Greek Ambassador in Paris was under instructions to approach the Bulgarian Chargé in the absence of the Bulgarian Ambassador. However, within the past few days, following the Soviet note to Greece protesting the base rights agreement with the United States,[5] the Bulgarian Government had sent a protest along the same lines to the Secretary General of the United Nations,[6] who is now considering whether or not he should circulate it to all member nations.[7] If this protest is circulated, Ambassador Kyrou will be instructed to protest the Bulgarian violations of the military articles of the peace treaty.

Soviet-Inspired Propaganda

Mr. Stefanopoulos noted that the recent conclusion of an agreement with the United States for military facilities in Greece had made a very good impression on the Greek people. He felt that it was favorably received in France and Great Britain, to which the Secretary added that it had also been well received in the United States. The Foreign Minister said that the Soviet Ambassador, who called on him just before he left Greece with the King and Queen, had brought up the base agreement, claiming (here the Minister smiled) that he was speaking "personally and without instructions from his government." Mr. Stefanopoulos said he had expressed innocent surprise that the Soviet Ambassador should find anything unusual in this development, which he pointed out was no change in Greek policy but merely a strengthening of unaggressive NATO plans. In fact, he continued, as Greece is faced on the north with armed forces of much greater strength than its own, this development would give Greece a feeling of security in which it could work more confidently toward the development of friendly relations with all of its neighbors.

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[5]For the Soviet note, Oct. 26, to the Greek Government, protesting the Military Facilities Agreement between Greece and the United States, see *Documents* (R.I.I.A.) for 1953, p. 284.

[6]For text of the Bulgarian note, Oct. 29, by Mintcho Neitchev, Bulgarian Minister of Foreign Affairs, to Hammerskjöld, for transmittal to the Greek Government, see *Relazioni Internazionali*, Nov. 14, 1953, p. 1111, or enclosure 2 to despatch 334 from New York, Nov. 11. (711.56381/11-1153)

[7]Hammarskjöld's note, Nov. 9, to Dulles, transmitted a copy of the Bulgarian note of Oct. 29 for the information of the U.S. Government. (Enclosure 1 to despatch 334 from New York, Nov. 11; 711.56381/11-1153)

More seriously, the Minister said that he did fear a buildup of Soviet-inspired propaganda which would exploit the recent earthquake by attempting to convince the Greek people that their government was pouring its resources into a military buildup at the expense of the disaster victims. Such propaganda would also make full play of the United States base agreement by pointing out that the expansion of trade with the Soviet orbit, which would greatly benefit the Greek people, was not possible so long as Greece lent itself to the "aggressive designs of the United States" and permitted the stationing of foreign troops on its soil.

The Minister said he felt certain that the opposition would use certain of these arguments to attack the government. Unfavorable comparisons would be drawn between the United States-Greek base agreement, which could be interpreted as adding to Greek budgetary commitments, and the United States-Spanish agreement,[8] which was accompanied by substantial economic assistance to Spain. The Minister recognized, of course, that the United States had contributed immeasurably more in aid to Greece during the past years, but attacks on the government along this line would, he feared, be somewhat hard to answer. However, the Greek Government intended to be honest with the Greek people and let them know that economic aid was being sharply diminished and would, in all probability, soon be cut off completely. In this connection, it would be helpful, the Minister stated, if the $20 million of FOA aid for this year could be released as soon as possible. The Secretary said that the Department would look into this question.

Conclusion

Mr. Stefanopoulos then said that he had no further questions to take up at this time. As the Secretary knew, the Minister and his government maintained the closest relationships in Athens with Ambassador Cannon. These close relationships between all friendly NATO powers are the essence of our present position and the strength of the free world. If NATO did not exist, Russia would not be following its present appeasement policy. Conversely, the Secretary added, if the Allies should drift apart, the Soviet appeasement policy would quickly disappear.

As the Minister took his leave, the Secretary reverted once more to the Trieste question, urging that the Greek Government exert all its influence, which he knew to be great, on Yugoslavia to agree to a reasonable solution. The Trieste problem, the Secretary reiter-

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[8]For text of the Defense Agreement between the United States and Spain, Sept. 26, 1953, which provided for use of miltary facilities in Spain, see 4 UST (pt. 2) 1895.

ated, must be settled; there can be no security for southeastern Europe until it is settled.

No. 455

781.5/2-2754: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

TOP SECRET
PRIORITY

ATHENS, February 27, 1954—5 p. m.

2125. Noforn. Reference: Paris telegram January 29 sent Athens 77, repeated Department 2790, Rome 244, Bonn unnumbered, Frankfort 71.[2]

Country Team Message

1. Memorandum constituting Greek study Prime Minister referred to in his conversation with General Gruenther (reference telegram) has been transmitted me by Marshal Papagos.[3] Copy being transmitted General Gruenther by Exindaris, Greek delegate NATO.

2. Main elements memorandum as follows:

a. Greece willing spend same amount for defense expenditure in fiscal year 1955 as budgeted this year (4,429 billion drachma by national definition) providing: (i) Equal release counterpart; (ii) Continued economic aid, including assistance for reconstruction earthquake area.

Except for counterpart release of 750 billions no specific aid figures cited. From other conversations we feel certain government will also make strong plea for continued counterpart releases for investment program.

b. Citing requirements which can not be met within this level expenditures, memorandum states it necessary reduce size army in order achieve more efficient utilization in defense effort of funds thus saved.

c. MDAP requirements listed in general functional fields.

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[1]Repeated for information to Paris for Hughes and Reinhardt, to Frankfurt for USCINCEUR and Satterthwaite, and to Rome for Maffitt.

[2]This telegram reported that Papagos told Gruenther in Paris on Jan. 26 that some reduction in Greek forces could be effected; Gruenther offered the cooperation of SHAPE in the conclusion of a Greek-U.S. country team study of the Greek defense program. (781.5/1-2954)

[3]Papagos handed a copy of his undated memorandum to Cannon on Feb. 23. (Enclosure to despatch 802 from Athens, Mar. 1; 781.5 MSP/3-154)

Embassy will forward memorandum, together with preliminary comments shortly. Generally speaking conclusions similar those set forth Embassy despatch 610, January 4.[4]

3. Memorandum signed by Marshal Papagos who specifically requested negotiations be conducted personally by the two of us. As country team continues believe issue of reorganization GAF will not be resolved on mutually satisfactory basis without detailed joint study by JUSMAG and Greek military, and as such study will present problem in clearer terms than set forth in Marshal's memorandum, I urged that these studies be undertaken. Marshal agreed and first joint meeting has taken place. At present stage, study will be confined to fact finding, i.e., what is actual supply position (cited in memorandum as being inadequate whereas our study indicates it comparatively very good). Envisaged that future developments of study will indicate defense capabilities within economic assumptions of memorandum from Marshal Papagos.

4. Suggest that upon receipt memorandum Department instruct me inform Marshal Papagos that United States Government shares concern Marshal that there shall be a proper balance between civilian and military sectors of budget and that funds allocated defense shall be used in most effective manner and that competent United States authorities are awaiting outcome present discussions between Greek and United States military representatives before replying Marshal's memorandum in greater detail. If Department agrees, would be helpful if I could reply in name of President Eisenhower as Marshal himself directed preparation report and has signed it.

CANNON

[4]Despatch 610 reported the State–Defense–FOA country team estimate of Greek economic aid requirements as $35–$40 million in previously allotted aid funds which remained unutilized as of June 30, 1954, and $20 million in new funds for fiscal year 1955 of which $5 million would be for earthquake relief. The country team believed that a proposed expansion of Greek Armed Forces by 10,000 men should be deferred until the United States was prepared to cover the entire cost of such an increase. (781.5 MSP/1–454)

No. 456

781.5 MSP/3–1854

Memorandum of Conversation, by the FOA Assistant Regional Director for Near East, South Asia, and Africa Operations (Seager) and by the FOA Military Program and Planning Officer (Arth)

SECRET WASHINGTON, March 18, 1954.

Subject: Meeting Between Governor Stassen and Greek Defense Minister Panayotis Kanellopoulos,[1] held at 4:00 p. m., Monday, March 8, 1954

Present: FOA:
Governor Harold E. Stassen
Dr. D. A. FitzGerald
Mr. Cedric Seager
Mr. M. P. Arth
Greece:
Greek Minister of Defense Panayotis Kanellopoulos

The Minister gave a rapid-fire review of the Greek defense situation and the enormous burden imposed on the Greek budget by the need to maintain the Greek armed forces at their existing level. He mentioned the many measures taken since April–May 1953, when a devaluation was combined with the removal of controls (the latter measure to inspire confidence). He also mentioned Prime Minister Papagos proposed realignment of Greek forces with Greek budgetary capabilities, referred to conversations with General Gruenther on this subject,[2] and the analysis of this issue of forces readjustment under way in Greece jointly by the Greek Government with U.S. elements in Greece.

The Minister said that during the past year the Greek Government had been forced to sacrifice a great deal in order to protect

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[1]Kanellopoulos, who visited the United States as a guest of the Department of Defense, arrived in Washington on Mar. 5 and made calls on the three Service Secretaries, the Assistant Secretary of Defense for International Security Affairs, and the Director of the Foreign Operations Administration on Mar. 8. On Mar. 9, he began a tour of installations of the Armed Services. He met with the Deputy Secretary of Defense, the Director of the Foreign Operations Administration, and the President on Mar. 18 (see the memorandum, *infra*). During his visit to Washington, he also met with the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs.

[2]During the visit to Athens, Oct. 20–21, 1953, Gruenther told Papagos that he recommended no major changes in the organization of Greek Armed Forces, and Papagos assured him the Greeks would make none before completion of a Greek and JUSMAG Athens joint study of the problem. (Telegram Joint Weeka 43 from Athens, Oct. 23, 1953; 781.00(W)/10–2353) Regarding Gruenther's conversation with Papagos in Paris on Jan. 26, see footnote 2, *supra*.

the national investment program. This had created present deficiencies in the areas of air defense, reservist and national reconstruction. He stated that the country had reacted favorably to the very stringent economic measures that the Government had been forced to impose. He cited particularly that there had been no strikes since the Papagos Government had taken office.

Mr. Kanellopoulos mentioned that the Cabinet was pressing him as Defense Minister, to accept his share of sacrifices necessary to permit the national investment program to move forward at an accelerated pace, as desired by Minister of Coordination Markezinis in particular. This year the total budget is larger than last year, the budget for the armed forces has been maintained at the same level; thus the percentage for defense is lower. For the first time in many years, the government's stringent economic measures and prudent handling of national finances has enabled the Minister of Finance to show a surplus of 300 billion drachmae.

The Minister said that if the Greek defense potential is not to be weakened, some additional U.S. special help will be necessary, saying he would be "very grateful to you, Mr. Governor, if you could examine the possibility of special help to meet our great defense expenses." He stated that such help was particularly needed in connection with the present and impending NATO infrastructure costs, with particular reference to the sums that would have to be paid to farmers in connection with the expropriation of properties for the construction of airports at Suda Bay, Lekhana, Nea Khiordos, etc. He said these sums must be paid out immediately, as General Gruenther is insisting upon the early completion of the airports. The total amount required by way of such special help is the equivalent in drachmae of $2.2 million, and he said the funds cannot be provided by the Greek Minister of Finance. The Minister suggested that if this aid could not be extended in the form of a grant, it might be made the basis for a U.S. Government loan carrying a nominal interest charge and repayable in five years, and that under such circumstances the Greeks could pay back one-fifth of it, plus interest, each year, making their first payment before the end of June 1954.

Governor Stassen thanked the Minister for his careful review of the Greek economic and military situation. He stated that the Greek Defense Minister is held in the highest regard in this country and added that the Greek Government in recent times has displayed great skill in the handling of its finances. He reminded the Minister of the worldwide commitments that the United States has assumed with respect to the defense of the free world and with respect to support for the economies of a great many less privileged countries. He emphasized also the importance attached to Greece

as a member of the NATO alliance and stated that the Greek Minister's request would be given his careful and sympathetic consideration. In passing, he mentioned the fact of a large pipeline of U.S. aid which assured continued substantial U.S. support for Greece for some time to come. On the question of the need for assistance to finance NATO infrastructure land acquisition, he stated that the U.S. would look into this issue, but was concerned about establishing a precedent vis-à-vis similar means of other NATO countries.

Mr. Kanellopoulos reviewed the very full program of engagements that lay ahead of him but remarked that he would pay a farewell visit to Washington on March 18, at which time he hoped there might be an opportunity to see Governor Stassen once again, a hope in which Governor Stassen concurred.[3]

[3]A briefing memorandum, Mar. 18, by Arth to Stassen on Kanellopoulos' call on Stassen that day is in file 781.5/3-1854. No record of the conversation has been found in Department of State files.

No. 457

611.81/3-1854

Memorandum of Conversation, by the Chief of Protocol (Simmons)

CONFIDENTIAL [WASHINGTON,] March 18, 1954.

Subject: Call on the President of the Minister of Defense of Greece

Participants: The President
The Minister of Defense of Greece
The Ambassador of Greece
John F. Simmons, Chief of Protocol

His Excellency Panyiotis Kanellopoulos, Minister of Defense of Greece, called on the President, by appointment, at 3 p. m. today.

Certain portions of the conversation held are of especial interest.

The Minister said that the recent tri-partite agreement between Greece, Turkey and Yugoslavia[1] was already operating favorably. He said that, of course, he had certain mental reservations about the complete sincerity of the Yugoslavs, but, after all, they had to be with us now. He said that they had acted loyally and sincerely and were definitely interested in building up the anti-Soviet defense system. He expressed, however, his embarrassment at the recent request of Marshal Tito to have Greece sign a military

[1]For text of the Treaty of Friendship and Assistance between Yugoslavia, Greece, and Turkey, signed at Ankara, Feb. 28, 1953, see *Documents* (R.I.I.A.) for 1953, p. 271.

agreement with his country. This, he said, Greece was avoiding doing since such an agreement would affront Italy.

The President stressed the importance of a settlement of the Trieste dispute and the Minister expressed hearty agreement.

The Minister said how much Greece appreciates our military aid. He expressed, in some detail, the effective integration of American matériel into the Greek military defense system, mentioning that the Greek military and naval forces are rapidly being built up to high efficiency. The President said that a key to the success of all defensive systems is the building up of the army with adequate reserves. This will provide large military force in an emergency, with the minimum outlay of funds. The Minister described in detail the efficiency, mobility and future needs of the Greek Navy and mentioned that it must retain its national character. Greece could not afford, he said, to turn over to Mountbatten, as requested, a number of destroyers and other vessels which would have to have a preliminary expensive reconditioning.

The President mentioned his own conversation with the retiring Yugoslav Ambassador here last week, who had at that time expressed the confidence of Yugoslavia in the tri-partite agreement with Greece and Turkey.

No. 458

781.551/5-[illegible]: Telegram

The Ambassador in Greece (Cannon) to the Department of State[1]

SECRET ATHENS, May 8, 1954—noon.

2657. Following publication Athens press yesterday of articles reportedly from official spokesman referring to US-Greek "negotiations" and stating that in agreement with US military representative Minister Defense had issued orders reduce armed forces by 35,000, thus bringing army down to level not in excess 100,000 complement by end this fiscal year. I called upon Prime Minister this morning at my request to point out embarrassment caused by untimely publicity of subject I had continued to treat as highly classified and to inform him of my concern with the turn these discussions had taken.

I advised the Prime Minister that I do not consider that there have been any negotiations whatsoever on the subject of the capacity of Greece to sustain its armed forces, that it had been my im-

[1]Repeated for information to Paris and Rome.

pression that the military representatives were cooperating in a military study and that the problems raised in the Marshal's memorandum would then be considered in the light of related economic factors which, I had expected, would also be studied by a joint team with a view in arriving at agreed recommendations. I stated that it now appears that the Greek Government had taken its decision unilaterally on the basis of the preliminary work of the military study only.

The Marshal interjected to state that the decision to reduce the army to the level of 100,000 had the approval of General Barth[2] (chief JUSMAG). I promptly replied that I knew General Barth to be a prudent man and that neither he nor I were in a position to state the American position with respect to the issues raised in the memorandum.[3] The US position would be formulated in Washington where no action has been taken to date due to fact interested agencies have been waiting recommendations which Embassy would not be in position to forward until Greek Government had made necessary facts available. By this time we were joined by Ministers of Defense and Coordination. The former admitted that General Barth had not stated that US approved of any specific figure and that figure of 100,000 had been discussed, along with other alternatives, for purpose of illustrating problems and establishing pertinent facts.

Discussion was forthright on both sides. Marshal maintained Greek Government could not allocate one drachma more for defense than was allocated last year and argued that further reductions, possibly to level of a 70,000 man army (virtually a 50 percent reduction) might be necessary in order to permit Greece to provide adequately for civilian requirements and at same time meet NATO obligations (infrastructure). I avoided a discussion of details and reiterated that Embassy did not as yet have information with which to study alternate solutions to problems in question. Atmosphere gradually cleared and both Prime Minister and Minister Coordination assured me full cooperation would be forthcoming and that pertinent economic data would be made available promptly.

Next step will be economic study to determine facts and conversations are being arranged for early next week. Major issues and alternative proposals for solutions will then be forwarded interest-

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[2]Maj. Gen. George B. Barth, Chief of the Joint United States Military Aid Group in Greece.

[3]Reference is presumably to the undated memorandum handed by Papagos to Cannon, Feb. 23; see Document 455.

ed US agencies and SAC for comment. At that point we would be in position to engage in final discussions with Greeks.

CANNON

TURKEY

UNITED STATES RELATIONS WITH TURKEY: UNITED STATES ECONOMIC AND MILITARY ASSISTANCE; VISITS OF UNITED STATES OFFICIALS TO TURKEY AND TURKISH OFFICIALS TO THE UNITED STATES; DEVELOPMENT OF TURKISH OIL RESOURCES; AND THE PROBLEM OF ILLICIT TRAFFIC IN NARCOTICS[1]

No. 459

611.82/1-2152: Telegram

The Ambassador in Turkey (McGhee) to the Department of State[2]

TOP SECRET PRIORITY ANKARA, January 21, 1952—9 p. m.

642. 1. Although I have, in accordance with precedent, had discussions with FonMin, with Pres on occasion of presenting credentials,[3] and with Pres GNA and PriMin,[4] they were of general and perfunctory nature and revealed little to report except that they indicated very cordial reception, strong appreciation for US assistance, confidence in US, and desire to work closely with US in future.

Following completion these formalities I was received in my first official visit with FonMin on Jan 19. He was accompanied by Nuri Birgi, Asst SecGen FonOff. Session lasted 2½ hours.

2. At FonMin's request that I initiate discussions I opened by commenting on favorable auspices under which I undertook my present mission, that relations between our countries were so good and our agreement on major policy objectives so complete that I considered our task lay basically in perfecting our collaboration to assure that both countries were able to make their maximum contribution toward achievement of common objectives at this critical time. I emphasized that our common objectives flowed from our strong mutuality of interests. To achieve this end, I wished to make certain specific suggestions which, if FonMin agreed, I hoped we could seek to carry out together.

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[1]For previous documentation, see *Foreign Relations*, 1951, vol. v, pp. 1100 ff. For documentation on Turkish participation in NATO and a Middle East Defense Organization, see vol. v, Part 1, pp. 107 ff., and vol. IX, Part 1, pp. 137 ff., respectively.

[2]Transmitted in five sections.

[3]McGhee presented his credentials on Jan. 15.

[4]No record of these discussions has been found in Department of State files.

(a) Development as natural procedure of close and early consultation between our govts and coordination of our activities in connection with major world, UN and, in particular, ME problems. I expressed satisfaction at progress already made in this respect, as in case Iran, MEC and Korea. I stressed hope that we could develop even closer cooperation in this regard, using our relations with UK as example. I laid emphasis on desirability of regular exchange of information and appraisals on matters affecting third countries or areas, and suggested we give thought to some formal way in which this cld be done on regular basis.

(b) Second suggestion was that we seek to give greater depth to US-Turk relations which have, up to this time, been most successful in security field. I pointed out that by strengthening existing ties and developing new common interests thru exchange of persons, cultural activities etc., we stood better chance of weathering any unexpected shock which our relations might be called upon to sustain.

(c) I further proposed that we seek to perfect working relations between US missions in Turkey and Turk Govt, institutions and people. Presence large numbers Americans working on various projs in security econ and cultural fields creates a problem in working relationships quite different from that normally existing between govts. Since it is in our common interest that what technical and financial assistance we are able to offer and Turks desire to accept be utilized to maximum effectiveness, we should attempt to perfect our working relationships to this end.

3. FonMin expressed himself as being in accord with my suggestions, and we agreed that we would, in the near future, seek to elaborate how we could carry them out.

4. I then stated that I wished to present certain specific matters, mainly for purpose of emphasis and perspective, which could be gone into in detail at subsequent mtgs.

5. (NATO) I reviewed history of our relationship to question Turk admission NATO. I expressed our satisfaction NATO members at Ottawa[5] and belief that quick action US Senate comite on ratification protocol[6] presaged favorable vote in full Senate. I stated that our policy had been clear that Turkey shld be admitted into NATO without any qualifications and without any relationship to MEC. I added I was glad Brit had now made clear their position on this point and had further agreed to Turks coming under Eisenhower's command. This shld remove any difficulties facing Adm Ulusan[7]

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[5]For documentation on the Seventh Session of the North Atlantic Council held in Ottawa, Sept. 15–20, 1951, see *Foreign Relations*, 1951, vol. III, Part 1, pp. 616 ff.

[6]Reference is to the Protocol to the North Atlantic Treaty on accession of Greece and Turkey, done at London, Oct. 17, 1951, entered into force for the United States, Feb. 15, 1952. (3 UST (pt. 1) 3; also, 126 UNTS 350)

[7]Rear Adm. Aziz Ulusan, Turkish member of the NATO Military Representatives Committee.

(now in Wash) and standing group in working out precise means whereby Turk entry cld be achieved. I stressed that Turkey's relations with NATO wld inevitably involve give and take and that, assuming there were no fundamental points of principle violated, I felt sure Turks wld cooperate in facilitating agreement on various questions arising out of their entry. FonMin stated that Turks insisted that only two fundamental principles be met: (1) that technical mil requirements were complied with and (2) that decisions were made for gen good and not for benefit or for enhancement of prestige of any particular country. He expressed some resentment that Brit had allowed ambiguities to arise with respect to their position on Turk admission, which he attributed to traditional London FonOff thinking. Question of possible Brit commander over Turk troops was not mentioned. I pointed out that Turkey's admission to NATO wld, of course, involve coordination of certain aspects Turk mil effort with other NATO countries. FonMin expressed some concern that this wld result in decreased aid from US and I assured him that, altho we must take into consideration our responsibilities to NATO and recommendations of NATO boards and Eisenhower, we wld, as Gen Bradley had assured them, continue to supply Turks directly and wld seek to maintain and if possible increase volume mil aid and training.

6. (MEC) I went into some detail regarding background MEC concept and explained that we had delayed its elaboration until Turk admission to NATO was assured. I pointed out that despite setback of Egypt refusal, which in end, of course, we anticipated, we considered it highly important that four powers proceed to set up command and to organize MEC defense as any other course wld be fatal display of weakness to states of area. I personally felt that mere existence of plan and four power agreement which it represented already had strengthening influence in ME. Altho we had made and wld make no specific plans except in consultation with other founding members, we hoped hdqtrs cld be set up some time in spring. We were gratified at Turks expression of willingness to participate in command. Altho we recognize that greatest contribution Turk can make to def of ME is to build strong forces in Turk, we hope Turk will, at some stage, be willing make direct contribution MEC del. FonMin replied that Turkey, because of its geographical position, naturally had a keen interest in defense of ME and in organization of command. It must be recognized that Turkey, itself, has principal mil forces in ME. He pointed out with some feeling various errors, mostly of psychological nature, which he felt had been made in launching MEC. In particular, four power

support of res against Egypt regarding Suez in SC[8] had caused Egyptian FonMin abandon his trip to Turkey, which would have afforded excellent opportunity make MEC proposals. He felt that other Arab states should have been asked join at same time as Egypt and that proposals should have been engineered so that ME states would have asked outside powers to set up command. I explained difficulties arising out of the points and in meeting Arab psychological requirements. FonMin stated that, in particular, Churchill's statement of Dec 31 and recent statements by Gens Slim[9] and Robertson[10] had served to confuse ME states with respect to four power intentions. MEC had a chance of acceptance only if it was in fact what it purported to be, and not subterfuge for covering up defense of Brit interests. He further stated there were many questions to be answered before Turkey could decide what contribution she would make to MEC, including development of juridical base, definition of obligations of member and area concerned. Before final action could be taken it would be necessary obtain GNA approval. I pointed out that altho it would not be possible to develop juridical base corresponding to that of NATO, I agreed that four powers should jointly seek to further define MEC, which up to this point had been an expression of intent, and that Turkey would be consulted fully in this process. In response to his query, I said Egypt would probably not be available as headquarters. Neither Cyprus nor Brit command was mentioned.

7. (Mutual Security Program) I explained new emphasis of MSP on mil assistance and in light of recent criticisms in Turk of sufficiency of Amer aid, I gave brief background of our econ and mil assistance to Turk. Turk Govt itself had expressed full understanding of this problem and appreciation for our aid; however, some people in Turk still seemed to think aid was being given in return for favors or sacrifice or on some prorated basis among countries. I pointed out that Turk had recd in econ and mil aid some $1 billion and that econ aid had been averaging some $100 mil a year despite fact that Turk did not conform to orig ECA concept. Turk, of all countries in world, had been able obtain large scale econ development program through ECA. Altho he could be assured that mil assistance to Turk would continue at same rate or increase, we would be faced with difficulty in getting econ assistance not directly related to mil effort or of long-term nature. FonMin appeared to appreciate considerations presented and raised no issue with respect to

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[8]Reference is to the resolution adopted by the U.N. Security Council, Sept. 1, 1951; for text, see *AFP*, vol. II, p. 2251.

[9]Field Marshal William J. Slim, Chief of the British Imperial General Staff.

[10]Gen. Brian H. Robertson, Chief of British Middle East Land Forces.

them. He felt that emphasis on security objectives should be to Turks advantage and Turk could concentrate on short term projects. I emphasized, to dispel recent press speculations, that there would be no drastic changes in personnel or org of our aid effort here and that, altho Amb assured leadership of entire MSP effort, econ and mil programs would be administered by Dorr and Arnold, respectively, in whom I and our govt had full confidence.

8. In reviewing working relationships which our missions enjoyed, I expressed full satisfaction on mil side but stated that cooperation achieved on econ side left much to be desired. I did not raise any question of personalities or goodwill, but stated I hoped that FonMin and myself could discuss this problem as whole at early date. FonMin expressed full satisfaction with relations in mil field and paid complimentary tribute to Arnold. He said he had no complaint on cooperation in econ field and spoke highly of Dorr.

9. (VOA) I reminded FonMin of proposal that had been made to him by Amb Wadsworth for erection of VOA relay station in Turk. I was not asking for final decision, but wished to emphasize importance we attached to this station which would fill important gap in our world program to project truth into Russia. I stated that, in light of Sov propaganda to Turk and our operations in Salonika and Ceylon, there should be no embarrassment to Turk, particularly after she is admitted to NATO. I pointed out that radio provided one of few positive means of achieving our objectives inside Russia. FonMin promised early reply but made no comment.

10. (USIE) I stressed importance which I attached to our USIE program and hoped our efforts could be expanded to other cities in Turkey. I pointed out this should be considered important means achieving our agreed objective of creating greater depth to our relations. I hoped we could have early reply to our proposals this regard as well as to related but separate question of status USIE personnel in Turkey.

11. (Treaty of Friendship, Commerce and Navigation) I reminded FonMin that we had no reply to our suggestion of February 1951 that we consider negotiation modern treaty of friendship, commerce and navigation. I emphasized importance we attached to negotiation on such treaty, not only to fill gaps in our treaty structure covering trade, investment and estab, but also from psychological standpoint as representing another tie between our countries. I pointed out importance Amer investors and Chamber of Commerce attached to such treaty. FonMin appeared surprised at time which had elapsed since matter presented, said it was under consideration and that he himself attached great importance to it and that we would be given an answer shortly.

Mtg was terminated on cordial note with request by FonMin that I come see him early next week for resumption our discussions.[11] Any Dept comment on conversation would be appreciated,[12] however, particular matters thought to require Dept decision or action will be covered in separate Embtel.[13]

McGHEE

[11]See telegram 673, *infra*.

[12]Telegram 623 to Ankara, Jan. 26, expressed interest in this report and, with respect to paragraph 5, stated that any suggestions by the Embassy on countering criticism in the Turkish press and the Grand National Assembly on the sufficiency of American aid would be welcome (611.82/1-2152).

[13]Not further identified.

No. 460

611.82/1-2652: Telegram

The Ambassador in Turkey (McGhee) to the Department of State[1]

TOP SECRET ANKARA, January 26, 1952—6 p. m.

673. I called on FonMin January 24 at his request. Referring to our talk January 19, in which we agreed desirability developing closest possible collaboration (Embtel 642, January 21),[2] we first referred to certain matters re Korea (Embtel 660, January 24).[3] FonMin then proceeded to state his views on various aspects international situation summarized below.

(1) Unity of action versus Sovs. Imperative that democracies work in complete harmony, without competition among themselves or differences in policy objectives. Any difference would be exploited by Sovs to own advantage. Democracies must present resolute common front and not seek to compromise because of their own lack of preparation or thru fear of Sov reaction. Russians have not been deterred from aggression by such considerations in part, but only by lack in own preparations. It would be fatal display of weakness for democracies to give further ground at any point.

(2) Weaknesses in West position. He stated principal weaknesses of democracies at present were:

> (A) Western European nationals trying obtain maximum benefits from US aid while making least possible contribution themselves. Moreover, they are permitting ideological considerations of own selfish interests influence them in resisting steps

[1]Transmitted in two sections.

[2]*Supra*.

[3]Telegram 660 reported on a conversation between McGhee and the Turkish Foreign Minister in which various British and U.S. plans for Korea were discussed. (795B.00/1-2452)

necessary build collective security. Opposition to inclusion Ger and Spain in Eur defense system cases in point. FonMin hoped US would continue explain necessity their inclusion.

(B) Second point of weakness lay in ME and Asia. Rising nationalism in ME exploited by Commies utilizing also reactionary and chauvinistic elements. Situation greatly worsened, however, by pursuit West powers their own special interest which results in lack common policy. West powers must abandon "old methods" in dealing with states of area. Essential harmonize policies on basis friendship with ME states, which offers only chance obtaining their cooperation. FonMin recalled he had suggested to Brit year ago that they seek solution Egyptian problem along multi-lateral lines, similar to MEC. He reviewed again Turk attitude on Suez issue and reluctance raise it last year in SC. FonMin also felt we should have delayed proposing MEC to Egypt and should have made proposal at same time to other Arab States and in clearer terms. In future he felt there should be closer and earlier consultation among four powers. One should not be obliged to fol action given by others without prior consultation. He did not consider present four power consultations in Damascus satisfactory but contributed this more to uncooperative attitude reps on spot than to govts. It must be recognized that world is in transformation, that new spirit of nationalism must be taken into account. Democracies should be in best position understand aspirations ME people and gain their confidence. They must be shown Commies offer them nothing. From mil aspect ME states present no power, nor can any appreciable power be developed in them. Only real defense of ME is Turk Forces. We must, however, win friendship these nationalists to complement Turk Forces. FonMin summarized by stating that if democracies could not make good these weaknesses which he had enumerated, West had chance losing cold war. If weaknesses eliminated, we will, with help large US arms program now in progress, be quite safe within few years. In his judgment, Russia does not think she can win world by aggression, but only by subversion.

At FonMin's invitation I responded to his remarks by stating that I agreed in its generality with almost everything he had said. In addition there were other elements which must be considered. One was the question of priority of agreed general objectives all over the world in the light of our limited capabilities, second was inevitable conflict between national and general interests (as in case of Brit Iran oil interests), and third was difficult question of tactics in achieving agreed objectives. While serious difficulties still remain, FonMin would, I was sure, agree that great progress had been made in West Eur toward creation Eur Army, integration Ger into common defense and with Schuman Plan. Invitation Turkey and Greece join NATO represented significant step forward, which would not only strengthen NATO materially but also morally in

providing example of state like Turkey making great sacrifices to maintain high level of defense. Furthermore, Turk could make available in NATO councils benefit its experience in relations with USSR.

ME remains one of principal areas where important differences exist between powers because of conflict between natl and genl interests and inability thus far devise suitable tactics. I reviewed US relationship to ME and pointed out principal conflict in past between natl and the genl interest lay in Palestine. Since establishment Israel we had sought remove this conflict by earnest policy friendship and impartiality toward Israel and Arab states alike. I mentioned Aramco concession Saudi Arabia as our other important specific natl interest in area, but which I did not believe made four power agreement or relations with SAG or other ME states difficult. FonMin interjected that on contrary good relations between US and Saudi Arabia was asset for relations between West and ME.

Ref Syria and Lebanon I expressed view that Fr had allowed prestige considerations to stand in way complete four power harmony, but that this flowed largely from reactions of individuals on the spot. In Paris and Wash we had found Fr in harmony with common objectives.

Brit position more complicated. I did not feel it involved unduly question of prestige. Brit Govt and people accepted passing of colonialism as demonstrated in India and Africa. However, Brit had specific econ interests, such as oil interests in Iran, Iraq and Kuwait, which were of desperate importance to them at this time. Brit treaty systems with Jordan, Iraq and Egypt considered by ME states, rightly or wrongly, as relic of colonial era. In my judgment, Brit wld have been prepared abandon these treaty rights in normal times. Now, however, in midst of cold war, to do so wld invite instability in whole area and open invitation to Sov aggression or subversion. Nevertheless, treaties had served to produce national irritations, especially in Egypt, which had been aggravated by Commies to point of cancelling out their stabilizing effect. In light of this situation we had developed concept of multilateral approach, leading to MEC, as offering more acceptable basis for relationship of west with ME.

FonMin agreed with foregoing. He said ME indeed represented delicate situation and he did not propose any drastic measures be taken which wld upset stability. It was important that Brit prestige be built up and Suez defended.

I said that at some time I shld like explain in more detail background of tactics pursued in launching MEC. Most important thing now, however, was to give thought to how we can move forward to

establishment MEC. FonMin agreed he repeated view expressed at our last mtg that this must be worked out together by four powers. Statements such Churchill's to Congress,[4] which appeared to change MEC concept by implying introduction of forces into area without agreement of ME states, were most unfortunate. He agreed evidence showed Churchill's statement not clearly thought out and that Brit Govt has since sought to modify implications.

In conclusion I stated that at his convenience I shld like to discuss with FonMin (1) MEC, (2) situation in Iran, and (3) cooperation between our econ mission and his govt. He added Syria.

McGHEE

[4]Churchill addressed Congress on Jan. 17 during his visit to the United States for conversations with President Truman; see vol. VI, Part 1, pp. 693 ff.

No. 461

882.00/2-1852

Memorandum of Conversation, by the Ambassador in Turkey (McGhee)[1]

SECRET ANKARA, February 10, 1952.

I met today with the Prime Minister, Foreign Minister, and Mr. Fatin Zorlu at the Prime Minister's request. The meeting lasted 2½ hours. It had been agreed that we would discuss the Turkish economic situation.

Iran: At the outset the Foreign Minister stated that he and the Prime Minister had greatly enjoyed our discussion of the previous day, particularly that part dealing with Iran.[2] He had since given more thought to this question and was seeking more precise information from the Turkish Ambassador at Tehran. The possibilities of what might happen in Iran in a relatively short time were so disturbing that he wished to give careful thought to the situation and to plan jointly with the British and ourselves what should be done in the light of various eventualities. The Prime Minister stated, "We must not remain a spectator" but must do something about the situation.

I replied that I agreed the situation was too dangerous to allow to drift, and that we must attempt to determine, rather than merely react to the course of events. I added that if the matter

[1]Transmitted as enclosure 1 to despatch 450 from Ankara, Feb. 18.

[2]A memorandum of this discussion was transmitted as the enclosure to despatch 439 from Ankara, Feb. 13. (611.82/2-1352)

could wait my return from Istanbul next Friday, I would be delighted to discuss it further. I pointed out that our Ambassador in Tehran, Mr. Loy Henderson, had spoken highly of the Turkish Ambassador, who, he reported, had given him valuable support. The Prime Minister added that the instructions to their Ambassador are to support the U.S. Ambassador.

Economic Situation: We then discussed the economic question. The Prime Minister observed that I had been given a memorandum by the Foreign Minister on the question of United States aid to Turkey.[3] He wished to know my reaction thereto. I explained that I had studied the memorandum carefully, as had the Mutual Security Mission, and that although we had not prepared a formal reply, I would be pleased to give my reactions to the memorandum and such further observations as I could on the general question of our aid.

I pointed out that as they were probably aware, there was great pressure on our Congress to seek all possible savings in our budget, which as proposed by the President had now reached an all-time post-war high $85,000,000,000. Our people are paying crushing taxes, up to 88 cents on the dollar. Our budgetary deficit in Fiscal Year 1953 is estimated at $15,000,000,000. Our postwar budgetary deficits have already produced a noticeable inflationary effect in our country, actually much worse than in Turkey and many other countries. The Congress is seeking ways to reduce our deficit and still maintain a high level of defense expenditures, which constitutes some ¾ of our budget. The favorite target is, therefore, non-defense expenditures, particularly foreign economic aid. Congress feels that since the United States is making such great sacrifice in the economic field, other countries should do likewise. Many members of Congress would like to eliminate foreign economic aid entirely. This feeling led last year to a reduction of approximately $1,000,000,000 in economic aid requested by the President, which had to be apportioned among the participating countries. As a result Turkey received only $45,000,000 out of the initial amounts allocated. Subsequently, it had been possible to take advantage of the provision of our Mutual Security Act authorizing transfer from military to economic aid, and the Turkish share of this, which was only recently announced, is approximately $25,000,000, which raises Turkey's total to $70,000,000.

Unfortunately, the aid question is so complicated that it is difficult for the average person to understand. For example, publication

[3]The memorandum requested $86 million in economic assistance for fiscal year 1952 to cover Turkey's deficit balance of payments. A copy was transmitted as enclosure 2 to despatch 450.

of the recent allocation to Turkey must have led many Turks to believe that Turkey was given only $25,000,000 this year, whereas Turkey will actually receive in military and economic aid some $300,000,000. The military aid which Turkey receives is very large, comparing favorably with any other country, but unfortunately the actual figures are confidential and cannot be announced. There is no real distinction between economic and military aid from the standpoint of the American taxpayer; indeed, if Turkey were forced to buy its military equipment, even from a Turkish standpoint.

Over the whole period of our aid programs Turkey had in my judgment done extremely well, having received over a billion dollars in aid. In the last few years, Turkey had averaged $100,000,000 a year in economic aid alone. Although in the present there will be a reduction, it is less than the reduction other countries have received. England received at one time a billion dollars a year in economic aid but this year, even though she is running a trade deficit at the rate of $4,000,000,000 a year, England received no economic aid until the recent allocations from transfer from military funds. Since the Marshall Plan was originally scheduled to terminate altogether in 1952, reductions were to be expected. Those of us dealing with Turkey feel fortunate that Turkey is receiving $70,000,000. In view of the lateness in the fiscal year, the critical economic situation in other participating countries and the fact that funds are already earmarked, it is unlikely that the allocation to Turkey will be increased.

I stated that I had been disturbed to read the criticisms of United States aid in the Turkish press, I realized that this was not the attitude of the Government, indeed, I had read the excellent speeches made by the Prime Minister, Foreign Minister and others in the Assembly expressing appreciation of American aid and explaining how substantial it had been. The average man, however, was inclined to draw over-simplified comparisons and to feel that Turkey had been slighted. We, of course, were not able to meet all needs in the world, even those of our best and most valuable friends, since our resources are limited. We are not able to meet all balances of payments deficits or to balance all budgets. In England and France there are very serious budgetary and balance of payments which we are not able to meet. The sterling area, for example, is losing dollars and other hard currencies at such a rapid rate that they will, if adjustments are not made, soon be exhausted. The Prime Minister of France recently stated that they had foreign exchange for only three days trading. These countries must themselves take the measures necessary to bring their economies into balance. Our aid can play only a small part in achieving that balance.

If one looked at population alone, India with 350,000,000 peoples gets only $50,000,000 in aid from the United States in 1952. One might say that India is not making a great enough military effort to justify more, but on the other hand if India went Communist, they would agree that Asia would be lost.

Greece might appear to be favored. However, the Turks know well that Greece must be given large scale aid in order to survive. Unfortunately, the rocky hills of Greece cannot support the 7½ million people of Greece, and imports of food, fuel and other necessities are required to prevent a complete collapse of the Greek economy. Western Europe have very large national incomes, budgets, and external trade in comparison with Turkey. As a consequence, if they get out of balance, they can get out of balance to a much greater degree than Turkey. Turkey is indeed fortunate among the countries of the world in that it suffered no damage nor loss of working capital from the war, is able to feed herself and has, consistently over a period of time, been approximately in balance budgetwise and in its foreign exchange.

I traced briefly the history of our economic aid to Turkey. When the allocations were made for the first year of the Marshall Plan, many economists in Washington, on balance of payment figures, had calculated that Turkey should be willing to grant assistance to other countries. It was with great difficulty that those of us dealing with Turkey had managed to obtain a ten million dollar token load that first year. Subsequently, we have justified economic aid to Turkey on an increasing scale until this year on a purely development basis, which has been unique in our programs of assistance to the entire world. We do not regret doing this since it has proven a good investment. We have been able to demonstrate to the appropriate authorities that it has assisted Turkey to support a larger military effort.

It should be kept in mind, however, that it was only this year that we initiated for the first time a general program of development assistance under the Technical Cooperation Act. This program is, however, on a much reduced scale compared to assistance which has been furnished to Turkey. For example, India is receiving only $50,000,000, Pakistan $15,000,000, and Iran $23,000,000. I pointed out that since no other country in history has ever given aid on such a scale, we have no competitor with whom our efforts can be compared. His Excellency could be assured that we who deal with aid to Turkey would continue to do all we can to bring Turkey's needs to the attention of the proper authorities. Since the funds are limited they will inevitably be less than what is wanted and we must all reconcile ourselves to this. We are confident that the Turks will do so in good spirit.

The Prime Minister then made an extended and effective presentation of Turkey's case. He pointed out that Turkey is the bulwark of defense in the Middle East. The Turkish army has saved the Middle East up to this point. If the Turks are to continue to resist successfully the threat presented by Russia, and to continue to inhabit Anatolia, it is necessary that they increase their economic strength. Unfortunately their industrial potential and standard of living are low, and must be increased to insure their own survival and that of other Middle Eastern countries. Greece and Turkey together, he stated, constitute the key to the Eastern Mediterranean—the only barrier against Russian domination in this area.

Of all countries in the world he felt Turkey offered the best opportunity for America to invest aid assistance. Turkey has great potentialities and resources. Turkey is capable of doubling and trebling its national income within a relatively brief period. It need not take Turkey so long to develop as it had taken other countries, in view of recent technological developments such as tractors, transportation, etc. The Prime Minister pointed out the greatly increased agricultural production which had resulted from importation of tractors, and stated that this production was capable of even greater expansion. The stronger Turkey was economically and industrially, the stronger would be its military force. Turkey spends now some 40 percent of its budget in military preparedness, resulting in a military budget of some 600,000,000 lira. If the budget of Turkey can be increased, and he thought it could be increased to 3 billion lira in a few years, the amount allocated for military purposes would be proportionately increased. He knew of no place in the world where a similar opportunity existed.

The Prime Minister stated that from my presentation it would appear that the United States realized this fact. That is why we had given Turkey exceptional treatment in granting a development program. He and his government were appreciative of what we had done, even though they sometimes had difficulty in answering the questions raised by the people. He hoped, therefore, that we would give consideration to increasing the $70,000,000 allocated.

I promised that we would at all times do the best we could to get Turkey as large an allocation as possible, but I doubted that the allocation to Turkey could be further increased this year. I did not believe that the additional $16,000,000 under discussion could be a critical factor in the Turkish economic picture. I had, for example, studied the import and export program which had been submitted, and congratulated the Foreign Office and Mr. Zorlu on the excellent work done on this program. The import program was, however, some 40% to 50% above last year's program at a time when most countries in the world, noticeably the UK, were reducing im-

ports and pursuing a policy of increased austerity. We would like for the Turks to be able to obtain everything on their import list, indeed, most of the items were vital to the economy; however, I do not believe that it can be proved that a cut in the import list would have a disastrous effect or result in a collapse of the Turkish economy.

With respect to the Turkish export program, we had noted with satisfaction that it provided for substantial increases over last year. However, some of our economic staff have noticed a tendency to withhold certain export goods from the market in order to obtain higher prices. Although one understands the desire to take advantage of normal seasonal and demand factors, nevertheless, I was sure that Their Excellencies would agree that it was inconsistent with out mutual objectives that scarce commodities be held for speculative purposes, or for anticipated raises in world prices. Not only are the proceeds needed to balance Turkey's EPU account, but Turkey's grain, cotton, coal and chrome are vitally needed in the recipient countries.

The Prime Minister then made an extended talk on export prices, in which he appeared to have considerable interest and knowledge. He stated that Turkey did not hold its commodities for speculative purposes, but merely to obtain existing world prices. In the case of wheat they had already sold 500,000 tons. They would, within a month, realize an additional 150,000 tons and ultimately expected to sell 800,000 tons. In the case of cotton there was a situation which had led to Turkish cotton being underpriced in comparison with world cotton prices. He pointed out the large increase in Turkish cotton production from some 50,000 tons to the present 160,000 tons, which he predicted would increase to 200,000 tons. Although Turkey once received good prices for her cotton, a careful study of world markets indicated that they were now consistently offered less than the value of their cotton, considering quality and transportation. I queried the Prime Minister as to whether this was not due to the difficulty of standardizing Turkish cotton, stating that I was under the impression that the world cotton market was so competitive that any discrepancies in prices which existed would soon be leveled out. In fact, the price in such a market should be what one is offered.

The Prime Minister explained that the Turkish situation is due to a monopoly of the market by one or two purchasers, acting in behalf of German interests. The German consumers had gotten together in a cartel-type arrangement, as Germans usually do. The purchases in Turkey, because of this monopoly arrangement, had been able to hold off of the market and depress the prices. They

had in this way made fabulous middle man profits. What was needed was competition in the purchase of cotton in Turkey.

I referred briefly to Anderson Clayton Company, who had expressed interest in coming into Turkey. I stated that a firm like Anderson Clayton could not only process cotton and cottonseed, but could help standardize and sell Turkish cotton in the world market. Such firms bought and sold on a very large scale at small unit profit, and had access to all the world markets. The Prime Minister stated that he was much interested in the possibility of Anderson Clayton coming to Turkey, and asked me to extend his personal invitation to Mr. Clayton to visit Turkey. He regretted that when Anderson Clayton had written a letter a little over a year ago expressing similar interest, their Government had just come into power and the importance of the inquiry had not been grasped.

This led to a brief discussion of the role of free enterprise in Turkey, and the possibility of United States private investment. The Prime Minister stated that his policy was one of free enterprise and declared that his party had come to power on such a policy and that steps had been taken to carry it out.

I replied that I understood it to be the policy of his government to encourage free enterprise and congratulated him on the steps taken to carry this policy out. The Prime Minister, the President and other members of the party were successful businessmen who understood the principle of free enterprise. I then summarized briefly the discussion which had taken place on February 1 with the Foreign Minister. (Reference Embassy Despatch No. 424 of February 7, 1952).[4] I stated that I agreed heartily with his optimistic interpretation of Turkey's economic future. Turkey was almost unique among the countries of the world in having great undeveloped resources in comparison with its population. The present economic improvement is largely the result of the policy of the Turkish Government. Turkey appears to me to be on the verge of an economic "boom" which could experience a "snowballing" effect. It is essential to provide the maximum freedom for the individuals engaged in business without competition from the Government, indeed, with encouragement from the Government.

If the Turkish economy develops in this way I believe the interest of potential United States investors will be greatly increased. In a few firms, such as Anderson Clayton, can get a start and be successful, others will follow. I reminded the Prime Minister of the proposal I had made to the Foreign Minister, that we jointly explore some means of propagandizing the opportunities for United

[4]Not printed. (882.00/2-752)

States investment in Turkey. This could be done through speeches, articles, visits of businessmen, perhaps through a joint commission of businessmen of both countries, visiting both countries.

The Prime Minister replied that he had mentioned this same possibility to Mr. Dorr. He assured me that he would welcome foreign investment in Turkey, and urged that we jointly map out in great detail just how to go about interesting private United States investors. He said that he hoped this conversation was only the beginning of conversations on this subject. I expressed willingness to meet with the Prime Minister at any time on this question.

I noted that under the provisions of the Mutual Security Act it was necessary that certain percentages of economic aid during Fiscal Year 1952 be extended in the form of loans, and stated that we had no alternative except to include some 10% to 15% of the Turkish economic assistance in the form of a loan. Mr. Zorlu, rather weakly, asked why it wouldn't be possible to put Turkey's portion of the loan on other countries. I replied that this surprised me in the light of the very optimistic statement just made by the Prime Minister as to the future of Turkey which would, of course, reflect its future ability to repay loans. I stated that it would appear, from what the Prime Minister had said, to which I agreed, that Turkey had such a bright future that it had excellent collateral for loans. Would Mr. Zorlu think that France and Britain in their present situations were in a better position to borrow than Turkey. All present laughed heartily at this.

Mr. Zorlu raised the question of the possible necessity of increasing the military budget in order to provide counterpart to compensate for common use items, purchased in economic aid dollars for the military program. He stated that since the military budget had, in agreement with our Missions, been fixed at 600 million liras, it would throw their entire budget out of line if this figure now had to be increased. He suggested the possibility of effecting some type of "wash" transaction. I replied that we were, as the Turkish Government was aware, required to obtain counterpart from the Turkish Government for all economic aid extended. There were various ways, however, of dealing with this matter and I was certain the Mutual Security Agency Mission, which was immediately responsible, would be glad to discuss this question with Mr. Zorlu so as to minimize the impact upon the Turkish budget.

I then suggested that, owing to the lateness of the hour, I take my leave. We ended on a cordial note. I advised the Foreign Minister of my trip to Istanbul, but that I would be pleased to return any time he needed me.

On the way out Mr. Zorlu, in a rather pleading voice, said "Couldn't you just increase the aid a little, say $8 million?"

No. 462

S/S-NSC files, lot 63 D 351, NSC 36 Series

Memorandum by the Secretary of State to the Executive Secretary of the National Security Council (Lay)[1]

TOP SECRET [WASHINGTON,] April 17, 1952.

Subject: NSC 36/1 "Stockpiling of Aviation Gasoline in Turkey."

The conclusions of NSC 36/1, approved by the President on April 21, 1949,[2] required the Department of State to keep under continuous review the question of seeking an arrangement with the Turkish Government for the construction of the airfields envisaged in NSC 36 and the stockpiling of aviation gasoline as proposed in the Secretary of Defense's memorandum of April 2, 1949 to the Executive Secretary of the NSC.[3] It had been concluded at that time that circumstances were not favorable for seeking such arrangements with the Turkish Government.

With respect to airfield construction, arrangements have since been reached with the Turkish Government within other terms of reference, and construction work undertaken, on which a report to the Council is now in preparation.

With respect to the stockpiling of aviation gasoline, the Department of State believes that circumstances now are favorable for Council reconsideration of the proposal of the Secretary of Defense. The American Embassy at Ankara reports that, under certain conditions, it would be timely and appropriate to make an approach to the Turkish authorities with respect to the aviation gasoline project. The American Embassy in Moscow does not consider that possible Soviet reaction to the stockpiling of aviation gasoline in Turkey should be considered a determining factor in case a decision has been reached within this Government on the basis of military necessity. Moreover, the admittance of Turkey into the North Atlantic Treaty Organization places the project in a new light.

It is accordingly requested that this memorandum and the enclosed discussion of the problem be circulated for the information

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[1]Drafted by Moore (NEA/GTI); cleared with S/P, C, and EUR; and transmitted to the National Security Council with a covering memorandum by Lay, Apr. 18.

[2]See NSC Action No. 205. [Footnote in the source text. Regarding NSC Action No. 205, see the editorial note in *Foreign Relations*, 1949, vol. VI, p. 1644. NSC 36/1 is printed *ibid.*, p. 1654.]

[3]See Memo for NSC from Executive Secretary, subject, "Stockpiling of Aviation Gasoline in Turkey," dated Apr. 4, 1949. [Footnote in the source text. Regarding that memorandum, see the editorial note, *ibid.*, p. 1644.]

of the Council and referred to the Senior Staff for preparation of appropriate recommendations.

DEAN ACHESON

[Enclosure]

Subject: Stockpiling of Aviation Gasoline in Turkey

1. In a memorandum to the National Security Council of April 2, 1949, the Secretary of Defense stated that the Joint Chiefs of Staff had approved a project to stockpile aviation gasoline in Turkey subject to clearance by the Department of State. At that time only a small quantity of aviation gasoline was involved (12,000 barrels). The Joint Chiefs of Staff had also approved the recommendation that authority should be given to CINCNELM to proceed with negotiations on this matter, subject to the following conditions: (a) that the matter be cleared by the Department of State and (b) that upon initiation of the project CINCNELM be directed to consider stockpiling of aviation gasoline in Turkey from an over-all requirements point of view rather than from the point of view of naval requirements.

2. The project, as outlined in the memorandum of April 2, 1949 of the Secretary of Defense, was considered in conjunction with the study of the desirability of seeking an arrangement with the Turkish Government for the construction of airfields, which study took the form of NSC 36/1. The conclusions reached in NSC 36/1 were that

"it would be unwise at this time to seek an arrangement with the Turkish Government, . . .[4] for the stockpiling of aviation gasoline referred to in the communication of April 2, 1949. . . .

". . . the Department of State should keep the matter under continuous review with a view to reconsideration by the National Security Council when more favorable circumstances justify."

3. The Department understands that the Department of the Navy, on behalf of itself and the Department of the Air Force, seeks the establishment of the following gasoline storage facilities for the United States Armed Forces in Turkey:

Navy—1200 barrels each at Balikesir and Diyarbekir, to be available for use in connection with 6th Fleet carrier-based aircraft missions involving attacks on targets in the Caspian and Black Sea area and possibly in support of ground forces.

Air Force—100,000 barrels at Adana and 10,000 barrels each at Balikesir and Diyarbekir, based on post-strike medium bombard-

[4]Ellipses in this document are in the source text.

ment operations centered on Adana with a small reserve for cripples at the other two fields.

4. Embassy Ankara believes that reasonable stockpiling implemented as normal MDAP POL shipments can be accomplished without giving rise to suspicions. However, the facilities now available in Turkey would probably not make it possible for the full requirements as specified in paragraph 3 above to be met. The Embassy suggests that the project should be under the guise of Turkish stockpiling and not involve written agreements with the Turkish Government and that the United States should pay all costs, including transportation, storage fees and expenses incident to periodic rotation. The Embassy further suggests an approach to the Turkish Chief of Staff on the project.

5. Embassy Moscow does not consider that Soviet reaction to stockpiling of aviation gasoline should be considered as a determining factor if a decision has been reached regarding the military necessity therefor. However, it does consider it desirable that stockpiling be done in the name of Turkey and that any agreement with the Turks be oral.

6. Turkey became a full member of NATO on February 18, 1952 upon deposit of its instrument of accession to the North Atlantic Treaty. It is thus in a much stronger position than before to cooperate with the United States and other NATO members in undertaking measures of mutual security. Nevertheless, caution should be exercised in carrying out such measures, which, should they become known, might expose Turkey to increases pressures from the Soviet Union.

7. In light of the above, the Department perceives no objection at this time to seeking an arrangement with the Turkish Government for the stockpiling of aviation gasoline in Turkey provided that (a) the stockpiling is done under the cover of stockpiling for the Turkish Armed Forces, (b) the gasoline is stockpiled in amounts and in a manner which the Department of State and the Department of Defense in collaboration with the American Ambassador in Turkey and the Chief of the Joint Military Mission for aid to Turkey (JAMMAT) agree are reasonable, (c) every effort is made and precaution taken to prevent knowledge of the role of the United States in the stockpiling coming to the attention of the Soviets, and (d) arrangements between the United States and Turkey are on an oral basis.

No. 463

S/S–NSC files, lot 63 D 351, NSC 36 Series

Report by the National Security Council Staff to the National Security Council[1]

TOP SECRET
NSC 36/2

[WASHINGTON,] April 29, 1952.

CONSTRUCTION OF AIRFIELDS AND STOCKPILING OF AVIATION GASOLINE IN TURKEY

1. The conclusions of NSC 36/1, adopted by the National Security Council at its 38th meeting on April 21, 1949,[2] with the President presiding (NSC Action No. 205),[3] stated that while it was unwise at that time to seek an arrangement with the Turkish Government for the construction of airfields or the stockpiling of aviation gasoline in Turkey, the Department of State should keep the matter under continuous review with a view to reconsideration by the Council when justified by more favorable circumstances.

2. In a memorandum dated April 17, 1952,[4] the Secretary of State indicated the belief of the Department of State that circumstances are now favorable for Council reconsideration of the proposal to stockpile aviation gasoline in Turkey. With respect to airfield construction, the Secretary of State noted that arrangements have already been reached with the Turkish Government and construction work undertaken, on which a report to the Council is now in preparation by the Department of State.

3. In the light of the above, the Senior NSC Staff recommends to the Council for its consideration that:

a. The United States now seek an arrangement with the Turkish Government for the stockpiling of aviation gasoline in Turkey, under terms and conditions to be agreed upon by the Departments of State and Defense.

b. The Council note that arrangements have been reached with the Turkish Government, and work undertaken, permitting airfield

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[1]The National Security Council adopted the recommendations contained in paragraph 3 of this report at its meeting on May 19. The Secretary of the Treasury and the Acting Director of Defense Mobilization participated in the Council action. (NSC Action No. 637; S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1952") The President approved these recommendations and directed their implementation on May 21. (Memorandum by Lay to the National Security Council, May 21; S/S–NSC files, lot 63 D 351, NSC 36 Series)

[2]For text, see *Foreign Relations*, 1949, vol. VI, p. 1654.

[3]Regarding NSC Action No. 205, see the editorial note, *ibid.*, p. 1644.

[4]Memo for the NSC from Executive Secretary, subject, "Stockpiling of Aviation Gasoline in Turkey," dated April 18, 1952. [Footnote in the source text. For text of the memorandum, see *supra*.]

construction in Turkey within the framework of U.S. aid to Turkey programs.

No. 464

782.11/5-1552

Memorandum of Conversation, by the Ambassador in Turkey (McGhee) Aboard the Turkish President's Train, May 6–8, 1952[1]

SECRET

Upon the invitation of the President of the Republic Celal Bayar, General Arnold and I were his guests on his private railway train from May 6 to 8, the occasion of the trip being to observe the military exercises at the Çankiri Infantry School. The President's special car left the Ankara station at 4:50 p. m. on the 6th and returned at 12:48 p. m. on the 8th. The party stayed in the car during the two evenings at Çankiri and had all meals in the car, with the exception of the luncheon tendered by the Infantry School on May 7th.

The party consisted of the President, General Arnold, myself, the Minister of Defense, Mr. Hulusi Koymen, The Chief of Staff, General Yamut and the President's Secretary and Personal Aides. We were joined for the day of the 7th by the Minister of Public Works, the Minister of State Industries and the Minister of Communications, as well as the Governor of the Çankiri Vilayet, the Mayor of Çankiri, who is a member of the Nation Party, the three deputies from Çankiri all members of the Democrat Party, the Commander of Ground Forces, General Kanatli, and the Director of the School.

Apart from the exercises themselves, which lasted from 3:00 to 4:30 p. m. on the 7th and which will be reported fully by the Military Attaché, the only other diversions were a visit to the school on the morning of the 7th, followed by luncheon at the school and a walk through Çankiri village. The remainder of the time was spent in informal discussions with various members of the party on the train.

Although most of the conversation was social in nature and so diverse as not to be worthy of reporting, there were several discussions on subjects which it is believed might be of interest.

1. Development of Turkey.

A general discussion developed between the President and myself as to the development of Turkey. I expressed to the President my

[1]Enclosure to despatch 637 from Ankara, May 15.

convictions that Turkey had great potentialities for development because of the high ratio of her undeveloped land and mineral resources to her population. In my judgment, only Brazil among all the other countries of the world offered similar possibilities for development.

The President agreed and stated further that he believed that Turkey's development could best be achieved by increasing her agricultural production and the value of this production through processing raw materials to as advanced a degree as possible. It was on this policy that he had based the Democratic Party's economic program; a policy quite different from that of the previous government which had artificially encouraged the development of industry.

I replied that I agreed with the President's analysis; we too felt Turkey's best opportunity for development lay in the increase of her agricultural production. The development of our own country had been based largely on agriculture, particularly in the south where the cash crop had been cotton. Industry had developed naturally out of consumer demands created by the agricultural income. I commented, however, that I believed the time had also come for the beginning of light consumer industries which could help fill the rising demand for consumer goods, combat inflation and save Turkey scarce foreign exchange. I mentioned the new Squibb pharmaceutical plant and the General Electric electric light bulb plant as being examples of such industry in which United States' capital had participated, along with Turkish capital. I expressed the hope that other American firms would make similar investments.

The President replied that he agreed as to the desirability of such investments; however, he did not approve of the venture of the General Electric Company. He said that this venture had been promoted by a middleman who was only interested in his own profit and who had persuaded General Electric and their Turkish partners to form this enterprise without a full economic analysis of the venture. As a result, the company had been very troublesome in seeking tariff protection, of which he did not approve.

I responded that we also as a Government did not approve of such protection in principle, although there were situations in which it might be appropriate. We had not as a result supported the General Electric Company in its request for tariff protection. I expressed the conviction that the General Electric plant could be competitive with imported bulbs when its market had sufficiently expanded, as it was now doing.

I asked the President how many people he thought Turkey could ultimately support, to which he replied that in his judgment Turkey could support 50,000,000 people.

2. Turkey's role in the Middle East.

A discussion developed about Turkey's role in the Middle East. In an effort to provide an analogy for what I considered the Turkish position to be, I described the efforts made by the United States since the beginning of President Roosevelt's administration in 1932, through the "Good Neighbor Policy", to win the confidence of the Latin American states and play a role of constructive leadership in the Western Hemisphere. I pointed out that whereas these states had previously distrusted and felt jealous of the United States, we had now developed a very sincere cooperation through the inter-American system in military, economic, political and social matters. I suggested to the President that Turkey might well in her own interest pursue such a Good Neighbor Policy in the Middle East. Turkey was the natural leader of the Middle East because of her historical position, military strength, political stability, economic development, and membership in NATO.

The next morning the President said that he had given some thought to what I had said previously about Turkish leadership in the Middle East and believed there was something to it. He described Turkish policy in the Middle East as more or less deliberately ignoring the other Middle East states in their strong efforts to associate themselves with the West and obtain admission to NATO. He himself had never thought the Arab States had any potential strength and spoke of them somewhat in a tone of scorn. He said, however, now that Turkey was admitted to NATO it should do something about its relations with these states.

I reminded the President of his statement the preceding evening, that he thought Turkey could ultimately support 50 million people. If this were true, Turkey would have a base in terms of natural resources and peoples equal to that of any present European country, with the exception of a United Germany. If Turkey continues to increase its agricultural production and develop its industries at its present rate, which represent roughly an 8% increase in national production each year, Turkey should, by the time it had its 50 million population, possess a basic economic potential, corresponding to that of the major Western European countries.

At that time the advantage which Turkey now enjoys over the states of the Middle East would be greatly accentuated. Although some of the Arab States contain important oil reserves and land which could be developed through irrigation, none contain the land resources, sufficiently varied mineral resources or the political and social stability required to develop a powerful modern state. In my judgment, Turkey will, if she continues to develop as she has now

started, stand head and shoulders above the other Middle East states and can, if she chooses, be their unquestioned leader.

In the light of this situation I considered it would be to Turkey's advantage to begin a "Good Neighbor Policy" or "Point Four Policy", or whatever she chose to call it, with the other Middle Eastern states. Such a program would, however, involve positive action on Turkey's part. It need not entail much money—it could be started by granting spaces in Turkish civil and military schools and for students from the other Middle East countries, and sending professors and training missions to those countries, as Turkey had done very successfully already in the case of Afghanistan. It was in many ways much easier for Turkey to teach these countries than it was for us, or the Western Europeans. The gap between them and us was too great. Our country dazzled and confused them since they had little hope of ever achieving our standards. Turkey, however, provided a much more comparable environment—one that these countries could hope to emulate; they should have confidence in Turkey as a neighbor they have known in the past and whom they now must recognize has no imperialist ambitions.

The President appeared to be sincerely impressed with the argument and said he would speak to his Government about it at the earliest opportunity.

3. Seyhan Dam.

I reported to the President my recent visit to Mersin, Adana, Iskenderun, Antakya and Gaziantep, and described to him the great potentialities which I considered this area afforded. I described the initiative shown by the newly wealthy cotton planters to establish new business enterprises.

The President said that as a banker he had been wary of the Adana cotton growers; however, his attitude had now changed.

I mentioned particularly the Seyhan Dam and reported that the Governor and other officials at Adana had advised me that the negotiations with the IBRD in Washington on the Dam project had broken down.

The President replied with evident feeling that this was the case. The British were blocking the loan in an effort to force the payment of the war loan which Turkey is alleged to owe Britain. The President said that the amount of the war loan is very uncertain; that there was no means of accounting for the quantity or value of the equipment which was transferred to Turkey, since it was done in wartime conditions. The British had been very arbitrary in their evaluation of the equipment. Although the Turks had expressed a desire to find a reasonable formula for evaluation, the British had refused to discuss it with them on this basis. The President ex-

pressed resentment that the British should link the payment of this loan with the IBRD application.

I advised the President that it had been my understanding that the British would not oppose the Seyhan project because of the war loan, but might abstain when the vote was taken by the Board of the Bank. I expressed no opinion regarding the validity of the war loan, but did express the hope that they could work this matter out with the British and the Bank.

4. Turkish Reaction to Russian Invasion in the Middle East.

A discussion developed with General Yamut as to the probable Russian analysis of the Middle East situation. I posed for him the hypothetical question of whether or not a Russian military commander could reasonably expect to bypass Turkey in an invasion of the Cairo-Suez Canal area through Iran and Iraq. Assuming Turkey were a belligerent in the war, but not attacked by Russia, could a Russian commander reason that Turkey would not move outside of its own territory to intercept a Russian invasion which attempted to bypass Turkey?

General Yamut responded immediately and categorically that no Russian General would be so foolish as to make such an assumption. Even though Turkey itself were not attacked, Turkey could not fail to react to a Russian invasion of Iran. He pointed out that an invasion of Iraq would, because of the British Treaty,[2] involve Britain and probably other NATO countries. General Yamut said that Turkey would be in an impossible situation if the Russians flanked them and controlled the states to the south and east of them. Russia, knowing this, would not move against the Middle East without first attempting to defeat or neutralize Turkey.

Later at dinner this whole subject was put up to the President and he was asked whether or not he agreed with the conclusion General Yamut had given. The President stated categorically that he agreed that no Russian commander could conclude that he could safely bypass Turkey in an attack on the Middle East. He must first be assured of Turkish neutrality or must defeat or neutralize Turkey militarily. It was fundamentally impossible for Turkey to be neutral with respect to Russia; to be neutral would put Turkey in slavery like the Bulgarians and other Satellite countries. Turkey could never put up with this. If there were ever any doubts in the Turkish mind they had, moreover, been removed by Turkish adherence to NATO. Turkey would legally carry out its NATO obligations.

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[2]Treaty of Alliance Between the United Kingdom and Iraq, June 30, 1930; for text, see British Cmd. 3797, Treaty Series No. 15 (1931).

The President went on to say that Turkey could not, furthermore, from a military standpoint, tolerate a Russian conquest of the Middle East. If Russia controlled both Bulgaria and Syria, she would have encircled Turkey. In the event Russia attacked Iran and Iraq, the NATO countries would have to decide what to do. In the event that they recognized it as a cause of war, Turkey would, in accordance with its NATO undertakings, do its full share.

When queried as to whether Turkey would react in the event the NATO countries did not react, the Prime Minister said it would be useless for Turkey to react alone.

5. Relations Between the United States, Britain and Turkey.

At one juncture in our conversation the President remarked that he and General Yamut had no secrets from General Arnold and myself; that their relation with us was such that they could express themselves freely to us on any question.

I replied that we felt similarly toward the Turks; that we were fully aligned with them, and had such confidence in them that we could consult with them on a basis of complete frankness. I said that, as the President knew, we had for many years had very close relations with Great Britain. Although policy differences developed between us, we had acquired the habit of consulting regularly and frankly with each other. I expressed my pleasure that a similar consultation was developing with Turkey. I hoped that both of us would automatically and instinctively consult the other about problems of mutual interest before taking action.

The President said he thoroughly approved of our good relations with Great Britain and hoped they would continue. He said that in his judgment the real strength of NATO consisted of the United States, Great Britain and Turkey, with the potential contribution of the three in that order. He felt it vital for world peace that the three countries concert their policies.

No. 465

882.2553/5–3152: Telegram

The Ambassador in Turkey (McGhee) to the Department of State

SECRET PRIORITY ANKARA, May 31, 1952—6 p. m.

1355. At Pres Bayar's invitation I met with him, PriMin Menderes and FonMin Koprulu for two and half hours eve May 28. Previously announced subject of conversation proved to be proposal by Pres for participation US oil companies in developing Turkey's oil resources. Major points made by Pres, given below, are particularly

important in light of Turkey's consistent history of refusing to consider direct participation of either foreign or Turkish private interests in prospecting for and developing Turk oil.

1. Turk Govt has explored for oil in Turkey for almost 30 years.
2. Altho Turks have succeeded thru own endeavors in finding oil Ramandag, their efforts are not progressing satisfactorily.
3. Fundamental consideration from Turk viewpoint is to obtain oil production in Turkey as stimulant to econ development.
4. Turks also mindful of strategic significance attacked to discovery of oil, particularly in south or southeast Turkey.
5. It wld be in Turk national interest to solicit assistance US oil companies in search for oil, as oil industry requires technical knowledge and capital which Turks do not possess. Pres wished to dispel commonly held belief that Turkey did not wish such participation.
6. Pres understood that foreign companies wld require that they be able earn profits for their efforts, and was quite prepared they be free to earn such profits. Pres made it clear Turkey interested only in US companies.

In response I discussed at some length in what I explained was my private capacity the experience of other oil-producing countries and the technical considerations which confirmed the Pres's conclusion that oil can best be developed by competent oil companies. I then commented on oil producing potentialities of various Turk areas, the uneconomic location of Ramandag field and its relatively poor product as source of supply for entire country, and the advantages of the Adana–Iskenderun area. I expressed personal view that US companies might, if Turk Govt wld agree to customary conditions, be interested in exploring this latter region for several reasons unnecessary to elaborate here.

I told Pres that my reply as Amb to his statements wld be that, if Turk Govt approached me with suggestion Pres had just made, I wld transmit it to my govt with expectation it wld advise that we were interested in possibility of US companies participating in development Turk oil because (1) We wish assist Turkey in her econ development, (2) Presence of such US companies operating in Turkey wld further strengthen ties between us, (3) It wld be greatly to mutual advantage two countries, both in period of peace and in event hostilities, to develop oil production in Adana–Iskenderun area.

I pointed out to Pres that, if Turk Govt so desired, normal procedure wld be for US Govt to address letter to all oil companies capable of and possibly interested in developing Turk oil. These companies might be invited discuss with Turk Govt general question or some particular aspect as desired by latter, leading to negots or bids for development rights. Also company decisions wld be based

on their own econ considerations, our govt wld be pleased express its own interest and extend good offices. I told Pres that if this operation were undertaken in Turkey by American companies, I felt certain, on basis past performance, that such companies wld cooperate fully in every way with Turk Govt.

Pres concluded that I cld consider that he had approached me on this subject as Amb and that he had made his proposals for communication to my govt.

Comment: This proposal made to me by Pres Bayar, which comes after careful consideration by Turk Govt as indicated by numerous hints by Pres and PriMin over past several months that it was coming, I consider the most important development in Turk-US relations since I came here as Amb. This is true not only from standpoint of obvious possible substantive advantages to both countries, but also as influence on trend in relations between oil companies and producing countries generally, and as exhibition Turk confidence in US. I am particularly anxious, therefore, that we treat matter with care and seriousness which it deserves.

It appears to me that, in view of complexities involved, it wld be well to suggest to Turks that as initial step they obtain expert advice from US private consultants on matters pertaining to establishment of prospecting zones and determination of basis on which Turk Govt cld formulate proposal for presentation to US oil companies, either directly or thru US Govt good offices. There are, to the best of my knowledge, several competent consultants in this field, including Herbert Hoover, Jr.[1] (Hoover and Curtis).

Review of varied Turk legislation governing oil exploration and exploitation indicates that in order permit participation US interests in this activity it wld be necessary repeal law 2804, June 14, 1935, which transferred all such rights to MTA,[2] and probably to amend law 792, March 24, 1926, which does not take cognizance modern exploration techniques and appears unduly restrictive in many ways. Changes in this law, and possibly also in the foreign investment law 5821 August 1, 1951, adequate to insure interest in exploration and exploitation proposals wld also require expert recommendations.

I shall await great interest Dept's views as to desirability of having US oil company or companies undertake search for oil in Turkey on basis Pres's statement to me. I shld like to be able communicate to Pres or PriMin before I leave Ankara eve of June 5 for

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[1]Herbert C. Hoover, Jr., consulting engineer; President, United Geophysical Company, Inc.

[2]*Maaden Tadkik va Arama Istituti* (Minerals Research and Development Institute).

several weeks abroad, an appropriate message containing (1) statement of reaction US Govt to Turk proposal, (2) any preliminary suggestions as to best procedure for Turks to employ in realizing their desires and (3) how Turks might best seek type of consultants they may need to formulate proposals. Request particular steps be taken to safeguard security Turk proposal at this early stage.

McGHEE

No. 466

882.2553/5-3152: Telegram

The Secretary of State to the Embassy in Turkey[1]

SECRET PRIORITY WASHINGTON, June 3, 1952—3:55 p. m.

1129. Dept shares ur view re importance petroleum matter discussed with you by Pres, PriMin and FonMin (Embtel 1355).[2] Dept anxious facilitate matter in any feasible way. Suggest before ur departure you inform Turk Govt accordingly.

Dept not clear, however, whether Turk Govt has in mind participation US firms in oil exploration and development operations (a) on some basis with Turk Govt or Turk Govt entity such as MTA or (b) on normal commercial basis as in other countries. If (a), Dept seriously doubts that any competent Amer co wld be interested. Depts comments below therefore based on (b), in connection with which you may wish make fol additional points:

1. It wld appear desirable obtain the services of qualified consultants to advise Turk Govt both upon procedures for obtaining cooperation Amer oil cos and upon steps which must be taken by Turk Govt to assure adequate interest in project. This wld entail advise upon legis which might be required on behalf Turk Govt. Dept prepared recommend several qualified consultants for selection by Turk Govt and will do so upon its request;

2. Dept not in position to predict degree of interest on part of US firms. Turk stability wld offer incentive to firms interested in new investments. However, in order prevent over optimism on part of Turks you might wish point out that two factors might limit the interest of oil cos; i.e., a) their reluctance in view of present world conditions to invest large sums of money in new areas far distant from the US; and b) fact that Turk is relatively less attractive from point of view of oil potentialities than other proven oil areas more adjacent to US, such as Canad, Ven and Peru. At such time as Turk Govt wishes, however, Dept will explore matter fully with

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[1]Drafted by William M. Rountree (NEA/GTI) and Robert H. S. Eakens (E/OMP/PED) and cleared with E and NEA.

[2]*Supra.*

Amer oil firms either on confidential basis or by wide publicity. We believe latter wld produce most interest but wld be guided by Turk wishes.

Additional reaction which you might wish bear in mind in talk with Turks fols:

(1) US pol in matters this kind opposed to exclusion nationals of other countries from participation and wld prefer to see Turk open concessions on competitive basis to nationals of any friendly country. Dept recognizes, however, that cos to be granted oil concession in Turk is matter for decision by Turk Govt.

(2) Dept believes interests of Turk wld best be served by having Turk oil resources developed by several firms whether of different or of same nationality rather than by an exclusive concession to any one firm and that in view anti-trust aspects of matter firms shld operate as separate entities and not under one corporate head. This, however, wld not apply to group of smaller independents similar AMINCO operations.

3. In view this new development and possibility that interest by Amer firms wld depend upon new and carefully considered legis, you may wish suggest to Turks that action upon Draft Law transmitted Embdes 620 May 5[3] be held in abeyance for time being. FYI it wld appear to Dept that legis along the lines of that in Ven will be required to interest Amer firms in Turk oil development. While same result might be accomplished by repeal all contrary legis and granting of individual concessions, Dept considers this course far less satis then gen law applicable all cos.

4. Re consultants referred to in 1, above, Dept considers those which it might suggest shld serve only in advisory capacity on legis, procedures for interesting Amer cos, designation of zones, etc., and not as negotiators on behalf Turk Govt with Amer cos interested in concessions.[4]

ACHESON

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[3]Despatch 620 transmitted the text of a draft law allowing participation of foreign capital in the development of Turkish petroleum resources. (882.25/5–552)

[4]On June 5, McGhee reported that he had presented a note to the Secretary General of the Foreign Ministry based on the suggestions in this telegram and stated further that assumption (b) was the correct basis for the participation of foreign oil companies. (Telegram 1393; 882.2553/6–552)

No. 467

782.00/7-752

Memorandum of Conversation, by the Ambassador in Turkey (McGhee)[1]

SECRET ANKARA, July 2, 1952.

On the occasion of the visit to Ankara of the Assistant to the Secretary of Defense, Mr. Frank Nash, a flight was arranged on July 2 in Mr. Nash's plane, which included the Foreign Minister, General Gurler[2] and the British, Canadian and Chinese Ambassadors, in addition to members of Mr. Nash's staff, General Arnold, Mr. Keith[3] and Mr. Emery.[4] In the course of the flight, which lasted some five hours and covered most of Eastern Turkey, the opportunity was afforded for conversation between Mr. Nash, the Foreign Minister and myself, which was interpreted by Mr. Batu of the Foreign Office, and in which we were joined in part by the British Ambassador.

1. *Yugoslavia.* The subject was introduced by Mr. Nash's explaining to the Foreign Minister that he would shortly visit Yugoslavia at which time he would have discussions with Mr. Tito.[5] I had previously outlined to Mr. Nash the status of Turkish-Yugoslav relations, particularly from the standpoint of the developing *rapprochement* between the two countries in which our Government is particularly interested. I therefore asked the Foreign Minister if he would bring us up to date on what had transpired between the Turkish and the Yugoslav Governments in the approximately one-month period since I had last had the opportunity to discuss the matter with him.

The Foreign Minister replied that developments had in fact taken place which he considered most encouraging. In the first place, the Yugoslavs had now officially invited the Turks to send a delegation of members of the Grand National Assembly, and another delegation of journalists to Yugoslavia. He himself still planned to visit Belgrade, en route to Western Europe, at the first opportunity. The Foreign Minister said that Yugoslavia was, moreover, now prepared to engage in actual military talks if certain conditions were met.[6] This fact had emerged from six excellent

[1]Transmitted as an enclosure to despatch 13 from Ankara, July 7.
[2]Lt. Gen. Sahap Gurler, Turkish Deputy Chief of Staff.
[3]Gerald Keith, Counselor of Embassy in Turkey.
[4]George H. Emery, Attaché in Turkey.
[5]Regarding Tito's conversation with Nash and Ambassador Allen on July 14, see Document 645.
[6]For documentation on the Greek-Turkish-Yugoslav military talks which resulted in the signing of the Balkan Pact, see Documents 306 ff.

talks he had had with the Yugoslav Ambassador in Ankara. The Yugoslavs are now willing to engage in military talks with the Turks (and, I presume, the Greeks) if Turkey is prepared to participate in the defense of Thrace, along the lines of the proposal recently made to Greece and Turkey by Marshal Montgomery. The Yugoslavs are not prepared to engage in military talks if Turkey plans only to withdraw to interior defensive positions and not to engage in a positive defense of Thrace.

I advised the Foreign Minister that I was sure this information would be of great interest to Admiral Carney, since it would have a bearing on his military plans. I asked the Foreign Minister the status of the consideration of the question of the defense of Thrace by the Turkish General Staff and Government.

The Foreign Minister replied that although no final decision had been made, they would like very much to make such a defense, since otherwise the Russians could easily push through to the sea and the defense of the Straits would be jeopardized. The Turkish decision hinged, however, on the availability of additional sea and air support, as had been discussed by Marshal Montgomery.

I asked the Foreign Minister whether or not he considered that Turk-Yugoslav relations were adversely affected by the strong anti-Communist position of the Turkish Government.

The Foreign Minister replied that he did not think so. Turkey was anti-Communist principally because Communism constituted the front for Soviet aggression. Although Turkey disliked Communism, she was prepared to collaborate with Yugoslavia despite her Communist policies provided Yugoslavia had no aggressive intent.

I queried the Foreign Minister as to whether or not the Yugoslavs might not find it easier to talk with General Plastiras or other members of the Greek Government, who had a softer attitude toward communism.

The Foreign Minister did not think this was the case.

2. *Middle East Defense Organization.* We advised the Foreign Minister that Mr. Nash had been present at the recent meeting in London between the British and US Foreign Ministers.[7] As the Foreign Minister is aware, the question of the Middle East Command, or Middle East Defense Organization as we now prefer to call it, is under active consideration by both our Governments and as a consequence there had been some discussion on this question between the Foreign Ministers. The thinking that emerged was that after diplomatic discussions between the seven interested governments, i.e., U.S., U.K., Turkey, France, Australia, New Zealand

[7]Regarding Secretary Acheson's conversation with Foreign Secretary Eden at London in June 1952, see the editorial note, vol. v, Part 2, p. 1544.

and South Africa a discreet approach should be made to the Arab States to sound them out as to whether or not they would be interested in joining the defense organization.

If the Arab States were not actually hostile to the idea, but merely timid, then the suggestion was that the outside powers should go ahead with the creation of the organization regardless of the willingness of the Arab States to participate from the outset. The Foreign Minister was asked to give his reaction to this proposal which, it was emphasized, had not been finalized and would not be pending discussion with Turkey and the other powers. In particular, the Foreign Minister was asked his judgment as to the best approach to the Arab States.

The Foreign Minister thereupon entered into a considerable discussion on the Arab States. He stated that it was, in the first place, an illusion to consider them Arab States. Iraq, he pointed out, had a large Iranian and a considerable Turkish minority. It was divided between two Moslem sects. In Syria, there was a considerable Turkish minority. The Lebanon, as we knew, was equally divided between Moslems and Christians and contained many foreign elements. Jordan was not a state at all, merely a creation of the British to compensate King Abdullah. Egypt was not really an Arab State. Many of the people were Copts and the ruling classes were Turks, Balkans and other foreigners. The only true Arab States were Saudi Arabia and the Yemen, which were feudal states living in the past.

The Arab League was a creation of the British for their own purposes and was not representative of the Arabs. The British and the French, who have traditionally had colonies and spheres of influence in the Arab States, did not understand the Arabs. They knew very well the present leaders, whom they themselves had created. They knew how the leaders lived, what sort of furniture they had in their homes, and their personal habits, but their knowledge did not go beyond this. In the view of the Foreign Minister only the Turks, among the powers concerned, really understood the Arabs. Speaking very broadly, he thought the Turks had the best possibilities for approaching the Arab States with respect to the proposed command. In particular, he thought that the Turks were very close to Syria and the Lebanon.

In the Foreign Minister's view, the defense of the Middle East lay basically in the defense of Turkey. Turkish forces in Turkey constitute the bulwark of the Middle East defense. The Russians can under no circumstance bypass Turkey by going through Iraq or Iran, but must first attack Turkey in an effort to defeat or neutralize her. As a consequence, the best way to increase the defensive capability of the Middle East is to increase the strength of the

Turkish forces. The principal objective of the Middle East Defense Organization should be a psychological one, to obtain the friendship and political cooperation of the Arab States.

The Foreign Minister was asked what particular tactics he could recommend with respect to the approach to the Arab States on the question of the Middle East Defense Organization.

He replied that the four powers must give most careful thought to this approach and that the necessary groundwork must be laid in private conversations with Arab leaders before a formal approach was made. The real danger was that the Arabs would, upon being approached, reply that the matter was one which must be considered by the Arab League, which would mean that the proposal would get nowhere. He had, however, no concrete suggestion as to how this could be avoided. He emphasized that the present leaders of the Arab world are largely discredited because they came to power during the period of foreign domination and owe their position to the support of the European powers. However, in response to a query, he replied that we must of course deal with these leaders, except in those cases where the people are more powerful than their leaders. He had no concrete suggestion, however, as to which countries are included in this category or how this can be done.

Following an interruption we were joined by Sir Knox Helm, and the conversation was resumed very much as it had been left off. The British Ambassador concurred that it was his understanding that his Government favored consultation by the seven sponsoring countries before an approach was made to the Arab States. The Foreign Minister took exception to this, saying that the four powers should first reach agreement, since agreement would be difficult to obtain among seven. However, in the light of the arguments put forth by the British Ambassador, Mr. Nash and myself, based on the desirability of encouraging the Commonwealth countries to make a contribution to Middle East defense, the Foreign Minister appeared to agree. It was pointed out, however, that this would not preclude preliminary discussions among the four powers subject to subsequent agreement of the remaining three. The British Ambassador emphasized that the Commonwealth countries could not be taken for granted; however, all recognized that they would not be likely to differ on such technical Middle East matters as the approach to the Arab States.

Mr. Nash asked the Foreign Minister whether or not Turkey would be willing, in the event of Russian aggression in the Middle East, to permit Turkish troops to go out of Turkey to participate in the defense of other Middle East nations, such as Iraq and Iran. The Foreign Minister replied, as before, that Turkish forces in Turkey constitute the greatest force of defensive strength in the

Middle East. He stated that more could be done for Middle East defense by building up these forces, so that they could resist Russian attack. Russia, if she planned an attack against the Middle East, could not take the risk of extending long lines of communication through Iraq and Iran, which Turkey might move out and cut, and as a consequence must attack Turkey.

The Foreign Minister did at one point state that Turkey was willing, if circumstances so justified, to make a contribution of forces in the Middle East outside of Turkey, however, he placed this contribution in the context of joining in a joint effort with Turkey's allies. He pointed out that Turkey was now a member of NATO and that it would be necessary for any decision with respect to utilization of Turkish forces outside of Turkey to be made by NATO.

Mr. Nash and I both emphasized that membership in NATO did not necessarily involve commitment of all Turkish forces to NATO. Both the US and UK, even though members of NATO, have accepted military responsibilities outside of the NATO area, i.e., in Korea and Southeast Asia. Mr. Nash advised that it had been agreed between the US, UK and French Governments that each would accept certain responsibilities outside of NATO: the US in Korea, the British in Malaya, the French in Indochina. He stated that he thought that the Turks should be willing to accept responsibilities in the Middle East.

The Foreign Minister replied that the Turkish position was different from that of Great Britain and the US in this regard, in that Turkey was adjacent to the area in question and could contribute to the defense of the area with its forces in its own country.

I stated that we had a situation in the United States somewhat similar to what the Foreign Minister had described, in that many isolationists in the US consider that America can make its best contribution to world peace by becoming strong at home. Nevertheless, we had despatched forces to Europe and Korea and elsewhere.

The net of the Foreign Ministers' comments on this point was neither to accept nor to preclude the possibility of Turkish troops being engaged outside of Turkey. However, the implication was clear that they would do so only if supported by forces of their Allies.

The Foreign Minister stated that it was first of all necessary for the area to be defended in the Middle East to be agreed upon and a legal basis established for the commitments of the participating powers. It would then be necessary for these commitments to be approved by the Turkish Grand National Assembly. Before the area to be defended could be defined, it was necessary to determine which of the States in the Middle East wished to participate. In dis-

cussing whether or not Iran would participate, he mentioned parenthetically that he had received information to the effect that Iran would accept membership in the NATO, however, all present seemed to regard it improbable that an invitation could be extended to Iran.

In response, I stated that our concept of the MEDO was somewhat different. We had conceived of the MEDO as a cooperative effort, without a legal basis such as NATO, because the political situation in the Middle East did not appear to permit such a legal basis. What was proposed was the next best thing to a legal commitment. It was pointed out, for example, that we did not necessarily propose to submit our participation in the Organization to the Congress in the form of a treaty.

As far as the area to be defended was concerned, I considered that this should be based on strategic considerations. While it would be desirable to have all the States in the area which it was decided to defend participate in its defense, we would, in the final analysis, probably seek to defend the area in any event even if the States of the areas opposed our doing so. It was very important, however, to attempt to persuade the States to cooperate. Even if they do not or could not possess significant military forces, their cooperation would nevertheless assure their orientation toward us in the cold war, and their cooperation with us in the event of a shooting war.

Mr. Nash asked the Foreign Minister whether or not he believed that the Arab States should be furnished arms. The Foreign Minister replied that he did, although he assumed the amounts they could utilize would be small. However, he believed the furnishing of arms should be subject to bargaining. Unlike Turkey, the Arab States had a bargaining mentality and could only be persuaded to assume their obligations through the offering of a *quid pro quo*. The British Ambassador agreed and repeated that what was required was not a "carrot" but "trade goods", to which the Foreign Minister readily agreed.

The Foreign Minister suggested that approaches be made by the nation in the most influential position with respect to each of the various Arab States, even though this was somewhat contradictory to his previous statement that Turkey offered the best approach to the Arab States. He mentioned that the British might approach Iraq and Jordan, the Americans Saudi Arabia, and Turkey could approach Syria and Lebanon. When Mr. Nash repeated this proposal later, he agreed, although the British Ambassador commented "What about the French?", when Syria and Lebanon were mentioned.

I remarked that although it might be well for the nation with the most influence to attempt to persuade the State concerned, we should seek to avoid recognition of spheres of influence which would militate against the multilateral approach implicit in the MEDO proposal. The implication as to spheres of influence in the tripartite declaration, even though not intended, had detracted from it.

The British Ambassador seemed to deprecate British influence over Iraq and Jordan, and all appeared to agree that a truly multilateral approach was desirable. All agreed, however, that the basic problem lay in preventing the Arab States from referring the matter to the Arab League, where it was agreed it would be stymied.

I pointed out, however, that our problem really arose when the Arab leaders or Governments would be forced to take a public position on the MEDO proposal. The British Ambassador recalled that the British Chiefs of Mission meeting in London had concluded that the Arab States would refuse an invitation to join the MEDO. The British Ambassador preferred the approach which he has previously described to me as "setting up a shop" to which the Arab States will ultimately be attracted. Mr. Nash pointed out that the thought in London had been to avoid, through discreet initial approaches, a refusal on the part of the Arab States which might make it impossible for them to join the Organization later, assuming they did not now wish to join.

I then put forward on a personal basis for discussion the suggestion that after the necessary preliminary private discussions, an open invitation be made to the Arab Governments which would, in effect, be only an invitation to come to a meeting on Middle East defense, without any commitments as to what might emerge from the meeting. This course would have the advantage of presenting the easiest possible public decision for the Arab leaders to make, in accepting the proposal made by the outside powers. Even though the proposed meeting might be a difficult one, and might give rise to conflicting points of view, the mere participation of the Arab States in the meeting would make them feel that they were participating as equals in a defense organization.

I described, as I had done previously, to the Foreign Minister, the history of American relationships with Latin American countries starting with the Roosevelt regime. Without great expenditure of funds on our part, we had succeeded in building a hemispheric solidarity by making the Latin American states feel that we had a genuine interest in them and friendship for them and that they participated as equals in the hemispheric system. I suggested that similarly the Middle East states could be oriented towards the

West by being made to feel that they were part of a cooperative organization in which they participated as equals. Although the Foreign Minister appeared to agree to my analysis, the British Ambassador preferred the approach of "setting up a shop" previously referred to.

Mr. Nash stated that the thinking in London had been that the ultimate direction of the MEDO would be through a military representative committee in which all the countries participating, the Middle East States as well as the outside powers, were represented, and over which there would be rotating chairman. There had been discussion of a British chairman to a subsidiary planning organization of this body. The Foreign Minister did not react or appear to take any exception to this statement.

In conclusion, the Foreign Minister emphasized the necessity for sincere four power cooperation if MEDO were to be organized. He stated clearly that such cooperation had not existed in the past and made a statement, which appeared to be directed, at least in part, to the Ambassador, that certain actions which outside powers had taken in the Middle East in the past must be discontinued if the organization were to be successful. To this all present heartily agreed.

No. 468

782.5 MSP/11-652

Memorandum of Conversation, by the Ambassador in Turkey (McGhee)[1]

SECRET ANKARA, October 24, 1952.

I called on the Foreign Minister on October 24, 1952 at my request. Since I had stated that the purpose of my visit was to discuss the U.S. FY 53 Turkish Mutual Security allocation, the Foreign Minister had arranged that there be present Mr. Gork, Assistant Secretary General for Economic Affairs and Secretary General for OEEC. The meeting lasted about an hour and 15 minutes.

United States Mutual Security Aid to Turkey for FY 1953:

I opened by stating that there had been considerable discussion and, I believed, misunderstanding, with respect to the allocation of funds to Turkey under the U.S. FY 53 Mutual Security Program. I wished to explain fully to the Minister the action which had been

[1]Transmitted as an enclosure to despatch 280 from Ankara, Nov. 6.

taken by our Government in this regard, which I considered to be as favorable to Turkey as was possible under the circumstances.

I explained that, as the Minister would recall, Turkey had received in FY 52 $70 million. In FY 53 a similar amount was used as an illustrative figure in the request to the Congress; however, Congress had drastically cut the total amount of economic aid requested by the Executive branch. Turkey's share, if Turkey received a pro rata cut, would have been reduced to $49.6 million. The MSA had, in the meantime, taken the position that the final allocation of aid to all countries should await the completion of the NATO annual review and its consideration by the NAC in its December meeting.[2]

Starting in July the Turkish Government experienced large EPU deficits, particularly in the month of August, and had called for the immediate application of U.S. FY 1953 Mutual Security Aid against these deficits. As the Foreign Minister would recall, Mr. Porter,[3] Economic Chief of the Mutual Security office in Paris, had come to Ankara to discuss this matter with the Turkish Government and had reaffirmed the policy previously stated by the MSA in both Paris and Washington that U.S. aid funds would not be available for this purpose. This did, I understood, come as a disappointment to the Turkish Government, particularly because in the previous year aid funds had been so utilized.

I wished to point out, however, that this utilization had in fact been an exception to general MSA policy. The decision in the Turk case therefore represented merely a reaffirmation of MSA policy. I pointed out that Congress had clearly intended aid funds to be used for the purchase of items shown to be in direct or indirect support of the defense effort. Since EPU deficits arose from unprogrammed imports, they might in fact be shown to result at least in part from the importation of non-defense or even non-essential items. Although the net result might be the same, Congress would not approve U.S. aid funds being allocated against the purchase of such items.

I stated to the Minister that the MSA Mission in Ankara had, at this juncture, taken a strong position with MSA in Paris and Washington in favor of immediate allocation to Turkey of as large an amount as possible, to be utilized for the purchase of essential defense items agreed between the two Governments. Although this would not alleviate the present Turk EPU position, it would enable

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[2]For documentation on the North Atlantic Council session, held at Paris, Dec. 15–18, see vol. v, Part 1, pp. 348 ff.

[3]Paul R. Porter, U.S. Deputy Special Representative in Europe for Economic Affairs.

the procurement of agreed defense items to proceed and would, insofar as these items would have been purchased by the Turkish Government, serve to minimize Turk EPU deficits in future.

As a result of our efforts the MSA had agreed to advise the Turks that their allocation for FY 53 would not be less than $45 million. Although there was some slight possibility that the final amount would be in excess of this, the Turks could not count on this possibility. I pointed out the close correspondence between this minimum figure and the figure which Turkey would be entitled to under a straight pro rata cut. I further observed that Turkey was one of only two European countries which had been advised of a firm figure for current FY 1953. I stated that consideration of any additional amounts to Turkey must await the outcome of the NATO annual review. I stated that in my judgment the decision by MSA was favorable to Turkey, and that I hoped the Foreign Minister and his Government would so consider it.

Mr. Gork thereupon entered into a rather extended and slightly ill-humored complaint of the treatment which Turkey received in allocations of aid. He stated that everyone knew Turkey had not received as much as it should have. He pointed out the various factors which he considered justified increased allocations to Turkey, i.e., military contribution, geographical location, possibilities for development, etc. He stated that the countries which had acted badly, i.e. France, received the larger allocations. People are always saying good things about Turkey, but they did not allocate to Turkey commensurate amounts of aid.

The Foreign Minister thereupon took up Mr. Gork's argument in a somewhat similar although more reasonable vein. He pointed out that Turkey had been making great sacrifices in maintaining a large armed force ever since World War II, when other European countries were doing little. He pointed out the large investments which Turkey was making in increasing its road, railroad and harbor facilities which he said should qualify as defense expenditures along with the expenditures of the Ministry of National Defense. He suggested that aid be allocated under a more objective basis, i.e. taking into consideration the strategic location, military strength of the country concerned.

I replied with some force to the argument presented by Mr. Gork and the Foreign Minister that I would not admit that aid to Turkey had not in fact been allocated on any other than an objective basis. The criteria which determine the allocation of aid are of necessity very complex. They cannot be measured on any easy quantitative standard and must, in the final analysis, be made by the U.S., which is the only country giving such aid. Since we are

doing so at very great cost to the American taxpayer, we naturally reacted to the suggestion that we were not giving enough.

Both the Foreign Minister and Mr. Gork protested that they had only meant to refer to the relative amount which Turkey got, not the actual amount, which must be an American determination.

I continued that every country to which we gave aid considered that it did not get enough, and could cite what it considered ample evidence in support of this contention. While Assistant Secretary of State I had dealt with 18 countries of which only two, Greece and Turkey, received large scale aid. The principal problem which I had with the remaining 16 was this fact.

Turkey had since 1947 received over a billion dollars worth of aid and had continued in recent years to receive aid at the rate of approximately $300 million a year. I considered that Turkey had done well. Those of us representing the U.S. in Turkey would continue to get all we could for Turkey. After the final decision had been made, however, by people in high places in our Government, such as Mr. Acheson, Mr. Harriman, and Mr. Draper, all of whom are friends of Turkey, we must ask our Turkish friends to accept the allocation as being fair and objective and in the common interest.

I had been told about the meeting between Mr. Dayton[4] and the Prime Minister on the previous day, and had greatly appreciated the statesmanlike attitude with which the Prime Minister had reacted when Mr. Dayton advised him of the aid figure. I had been equally disappointed by the response of the Minister of Finance in a previous meeting with Mr. Dayton, which I assured the Foreign Minister had made a most unfavorable impression both on our Mission here and in Washington. I stated that if U.S. assistance, which should constitute a basis for cooperation between our countries, became instead a basis for complaint, friction and jealousy, that our common objective in Turkey could not be achieved.

The Foreign Minister hastened to assure me that there would be no bad feeling over the American aid; even if America gave no aid, Turkish friendship for America would be just as strong. He assured me that the Turks would accept the amount of aid which had been indicated with good grace and would utilize it properly. Mr. Gork made similar protestations.

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[4]M. Leon Dayton, Chief of the MSA Mission in Turkey.

No. 469

882.2553/11-1252: Telegram

The Ambassador in Turkey (McGhee) to the Department of State

SECRET ANKARA, November 12, 1952—5 p. m.

632. I was called to mtg Nov 10 with Pres Bayar, at which were present also the PriMin and FonMin. The PriMin confirmed info previously given me by FonMin, reported in Embtel 591 of Nov 5[1] that Turk Govt had in fact taken the decision to invite foreign oil companies (i.e., US companies) to participate in development Turk petroleum resources. PriMin said that after 20 years of attempts on part of Turk Govt to exploit their petroleum resources they were prepared to admit that they had not been successful and sought assistance of foreign oil companies.

FonMin stated that a favorable reply to my note of June 5 (based on Deptel 1129 of June 3)[2] which had been result of the Pres' initiative taken on May 28 (see Embtel 1355 of May 31),[3] wld be sent to Emb in a few days.[4] The only remaining point to be resolved, which emerged at a mtg of Turk Govt officials on Nov 8, is whether or not Turk Govt can, under petroleum law of 1926, delegate its exclusive authority exploit petroleum resources in Turk, which it can to a Turk corporation, to a foreign one as well. If this latter is not possible, govt will make necessary provisions, either thru action by Council of Mins,[5] or, if necessary, thru additional legislation. Turk Govt expects at same time to make its decision public.

I expressed satis that Turk Govt had taken final decision in this matter which was of great importance to our govt, because it indicated confidence of Turk Govt in US and US companies; it is in our opinion the best means of securing proper exploitation of Turk petroleum resources which is of great importance to Turk for both econ and strategic reasons; it wld provide convincing proof to US and world businessmen of the sincere desire of Turk Govt to encourage both domestic and foreign private investment in Turk; it wld have a salutory effect on relations between oil companies and oil-producing countries generally, particularly in the ME. The Turk

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[1]Telegram 591 reported that the Turkish Government had decided to seek assistance from foreign oil companies in the development of Turkish petroleum resources. (882.2553/11-552)

[2]Document 466.

[3]Document 465.

[4]Telegram 648 from Ankara, Nov. 14, transmitted the text of a letter by Köprülü along these lines. (882.2553/11-1452)

[5]Telegram 638 from Ankara, Nov. 13, transmitted the advance text of the Council of Ministers decision, dated Nov. 12, concerning the development of Turkish petroleum resources. (882.2553/11-1352)

Govt's action wld provide first example of a country which after determined effort to exploit its own oil resources, sought assistance of private companies.

In response to my query the PriMin confirmed again that Turk Govt had in mind concessionary arrangements of type which have been fairly well standardized in other producing countries. I repeated statement referred to in our note that US sought no monopoly for US companies, but hoped consideration wld be given to all qualified oil companies regardless of nationality. I stressed desirability of Turk Govt's dealing with matter in an open fashion on basis of careful study and full advice regarding the technical, legal and legis aspects of the problem. I offered US Govt assistance in obtaining necessary tech advisors.

The PriMin stated that Turk Govt was aware of factors which I had mentioned, and that it wld seek the assistance of US Govt not only in obtaining technical advisors, but in informing the US oil companies of Turk Govt's decision.

I consider this decision, for which I have worked for a long time, to be of great significance, as I have previously indicated in Embtel 1393 of June 5.[6] Upon receipt of note from Turk Govt, I hope Dept will give whatever further assistance Turks desire. I suggest widespread publicity be given the Turk Govt's announcement of its desire to invite foreign oil companies to develop Turk's petroleum resources, particularly in the ME and So Amer, where it shld have stabilizing effect on position of US oil companies. I also suggest that thru Dept Commerce and other media, widespread publicity be given this decision as representing progressive econ policies on part of Turk Govt.

McGHEE

[6]See footnote 4, Document 466.

No. 470

782.5 MSP/11-2852

The Embassy and Mutual Security Agency Mission in Turkey to the Turkish Ministry of Foreign Affairs[1]

CONFIDENTIAL ANKARA, November 28, 1952.

AIDE-MÉMOIRE

The Embassy of the United States of America and the Special Mission to Turkey for Economic Cooperation have received a joint communication from the Department of State and the Mutual Security Agency on the subject of the level of defense support assistance to be rendered by the United States Government to the Turkish Government.

While the decision upon a final aid figure for the fiscal year ending June 30, 1953 must understandably await completion of the North Atlantic Treaty Organization Annual Review, the Embassy is now in a position to give firm assurances to the Ministry of Foreign Affairs that such aid will not be less than forty-five million dollars. The use of this amount and the division between direct dollar aid and special resources through the European Payments Union are matters to be determined by the appropriate representatives of the two governments. Among the factors to be taken into account in this connection are the composition of the import program to be financed with such aid, and the availability of commodities, equipment and services which might be required.

Such special resources as may be made available will not be contingent upon a deficit position of Turkey in the EPU, but rather upon the procurement of mutually agreed imports required for high priority military and economic development programs, including the procurement of handling and transportation equipment to increase export capacity. Specific releases of special resources will be made to the Turkish Government EPU account periodically upon receipt of information by the Special Economic Mission that foreign exchange has been made available for the agreed upon imports. Appropriate representatives of the United States Government are, however, prepared immediately to assist in the development of a program for the entire amount embracing both dollar and special resources procurement.

It is recognized that the measures necessary for the maintenance of financial stability and trade balance are of course the responsi-

[1]Handed to the Turkish Ministry of Foreign Affairs on Nov. 28. Copy transmitted to the Department of State in despatch 321 from Ankara, Nov. 28.

bility of the Turkish Government, and that steps thus far taken have been effective in bringing about encouraging results. In this connection, the Embassy wishes to outline its understanding of several aspects of present policies of the Turkish Government which have a bearing upon the effective utilization of aid to be rendered under the program:

1) That the Turkish Government is fully aware of the necessity of maintaining a manageable relationship between imports and foreign exchange availabilities;
2) That among the actions taken to achieve this objective there are being and will be maintained over such a period of time as may be necessary, import credit restrictions, time limitations on the use of customs warehouse space, and registration of imports to retain qualitative and quantitative controls;
3) That every effort is being and will be made to sell and export surplus commodities and that as part of this effort prices will be adjusted as necessary to accomplish this end;
4) That the Turkish Government is fully aware of the current transportation, handling and shipping problems involved in the movement of export commodities and is taking specific steps to assure adequate facilities for this purpose;
5) That the Turkish Government has indicated its willingness and readiness to take any steps which might be necessary to cope with inflationary pressures.

It is understood that the Ministry of National Defense has formulated a defense budget of 716 million lira for the Turkish fiscal year beginning March 1, 1953. The Joint Military Mission for Aid to Turkey considers that a sum approximating this amount is necessary if there is to be no diminution in the Turkish military effort. In planning the utilization of counterpart funds related to the implementation of the above-mentioned commitment for defense support during the current fiscal year, the United States Government would be willing to render such assistance as it can in meeting this expanded program. In this connection, it is suggested that as much as 100 million lira in counterpart funds from the current aid program be earmarked for this purpose, which would, on the basis of the above total defense budget figure, leave a minimum of 616 million lira to be financed from Turkish Government resources or from any additional means by which it might subsequently be determined that the United States can help in providing budget relief for this purpose.

No. 471

611.82/12-1352

Memorandum of Conversation, by the Ambassador in Turkey (McGhee)[1]

SECRET ANKARA, December 11, 1952.

I called on the Foreign Minister at my request on December 11, 1952. The meeting lasted three quarters of an hour. There was present in addition only an interpreter.

I stated to the Foreign Minister that I had come, following my trip to the U.S., to wish him well on his forthcoming visit to Paris for the OEEC–NATO meetings. I also wanted to report on the general results of my visit to the United States. Since I understood he was leaving by train that evening, I would not take up much of his time.

I advised the Foreign Minister that my talks with the President, the Secretary of State, Deputy Secretary of Defense and others had been most favorable.[2] I had also had a long talk with Ambassador Erkin which was most satisfactory. I had had two press conferences and a number of opportunities to talk with American officials and private groups on the current situation in Turkey.

I said that I found everywhere a keen interest in Turkey and a knowledge of what was going on in Turkey. Everyone felt that the Turks had made excellent use of U.S. assistance and were a bulwark of defense in this part of the world. In my judgment, Turkish prestige in America was at an all time high.

I referred to the deficit which was indicated in the Turkish defense budget for the forthcoming fiscal year, and our appreciation of the fact that the Turkish Government has gone ahead with its request to the GNA for the full amount of the defense budget pending assurance as to the receipt of our aid. I had had many conversations on this subject in Washington, and although I could not make any commitment to the Foreign Ministers, I myself was optimistic that we would be able to assist the Turkish Government in bridging the gap.

I then referred to the decision of the Turkish Council of Ministers with respect to the opening of exploitation of Turkish petroleum resources to foreign capital. I stated that I had refrained from making any comment in the U.S. on this subject until after publication of the Turkish Government's decree and the statement by the Minister of State Enterprises in the GNA on December 3. Fol-

[1]Enclosure to despatch 372 from Ankara, Dec. 13.

[2]No record of these talks has been found in Department of State files.

lowing this I had, however, drawn up a release[3] based on the decree and the statement by the Minister which had been agreed with the Turkish Embassy in Washington. I had in addition explained the announcement to the press,[4] being very careful not to go beyond what the Turkish Government itself had stated.

The announcement had received excellent publicity in the United States and had evoked laudatory editorials in at least two of our leading papers, the *New York Times* and the *Washington Star*. I promised the Foreign Minister to send him copies of these editorials. I stated that copies of the press announcement had been sent to the petroleum press and to all U.S. oil companies, with the end in view of arousing the interest of U.S. companies so that they would come forward when the Turkish Government extended its invitation. I already had preliminary indications that several companies were interested.

I stated that I hoped that the Minister would consider that my actions had been constructive and that they would not embarrass the Government by any undue interest. The Minister replied that he considered my actions quite helpful and approved of the statements which had been reported from the U.S. press. He said that the Minister of State Enterprises would shortly make a clearer statement of the Government's petroleum policy, apologizing for the recent statement as somewhat unclear. I replied that this should be helpful, as the statement was not quite as forthright as might have been expected for an announcement of a new policy.

I said to the Minister that although there were many other things I might discuss, I would not do so for the moment for lack of time, but asked him if there were anything he particularly had on his mind before he left for Paris. The Minister stated that he had two things, the UN action on Tunisia and the Palestine issue.

In the case of the Tunisian question, he stated that the instructions which he had given to Ambassador Sarper were that he should vote with the NATO countries if their action were unanimous. If the NATO countries are not unanimous, Turkey then is free to act as it thinks best, and if the U.S. votes favorably on a constructive resolution Ambassador Sarper is to support it. He asked what our action would be on the resolution. I replied that although I was not certain, my understanding was that we would support the resolution. In fact, it was my recollection that I had seen a press announcement that we had already done so.

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[3]Background information released to reporters at a news conference in the Department of State, Dec. 5. (Text in office of the Special Assistant to the Secretary in Charge of Press Relations, Department of State. *Daily News Conferences, 1952*, vol. VII, in the Office of Press Relations)

[4]At a news conference in the Department of State, Dec. 5. For text, see *ibid.*

The Foreign Minister then went on to explain the abstention of the Turkish representative on the Palestine vote. Although instructions had been sent to the Ambassador on Saturday, they did not arrive until Monday. Ambassador Sarper, therefore, was forced to abstain. He will, however, at the first opportunity, make a statement that Turkey is in favor of the position of the Arab countries. The Turkish decision in this case is based on the principle that decisions taken by the UN should be supported. This is not only as a matter of principle, but because the prestige of the UN is involved, as well as the confidence of the Arabs in the UN. In addition, the Turks interpret the recent Prague trials as being a prelude to an intensified effort on the part of the USSR to win the sympathy of the Arab States. The Foreign Minister felt it necessary for Turkey to do its part to counteract this effort.

I commented that although I was not familiar with the US position on the resolution in question, I felt sure, as stated in our previous discussions, that my Government would strongly approve any effort on the part of the Turks to gain the confidence of the Arab States and to counteract Russian attempts to isolate them from the West.

On departing, I told the Foreign Minister how disappointed the Secretary and other U.S. officials were that he had been unable to visit the U.S. for the GA as he originally planned. The Secretary looked forward to seeing him in Paris.

No. 472

711.56382/2-753: Telegram

The Ambassador in Turkey (McGhee) to the Department of State[1]

TOP SECRET ANKARA, February 7, 1953—9 a. m.

979. Appreciate prompt guidance Department's telegram 973[2] on US military requirement in Turkey as originally set forth Department's telegrams 890 and 891, January 16.[3] I held initial meeting with Foreign Minister today and outlined matter fully pursuant pertinent telegrams. I explained need for transition from our past military assistance efforts here arising out of our common NATO responsibilities, set forth in general terms US military require-

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[1]Repeated for information to Paris eyes only for Draper and to Frankfurt eyes only for Handy.

[2]Telegram 973 instructed McGhee on various aspects of negotiating the military facilities agreement with Turkey. (711.56382/1-2253)

[3]Neither printed. (711.56382/1-1653)

ments both pre and post D day, and stated desire negotiate secret agreement under article 3 NAT.

Foreign Minister's response very satisfactory. He felt that such arrangement logical consequence of Turkey's membership in NATO. He appreciated need advance preparations for possible use of facilities by us in defense against Russia. He stated in light Turkey's strategic and political situation is much to her advantage that this be done. He implied US use in case of need of airfields built in Turkey under US aid programs has always been understood.

Regarding maintenance strict secrecy, Foreign Minister said Turkish Government had considerable latitude vis-à-vis GNA in ratification of treaties. Although he would have to study matter in light of particular draft considered, he thought it quite possible that government could enter into such agreement secretly without approval by Assembly. Foreign Minister reacted favorably to idea of providing cover for new arrangement as extension of present joint training program.

Upon my outlining requirements which we had in mind, Foreign Minister raised no question on types of planes to be used or number of US personnel, nor did I at this stage.

Foreign Minister, throughout my presentation, gave every indication of his concurrence, and at no point did he appear to react unfavorably or take exception. He stated he was convinced of sincerity of our aims and wished to assure us of Turkey's desire continue closest collaboration. He stated he would discuss matter fully and sympathetically with Prime Minister and other colleagues and would give me their reaction soonest possible. In view Democratic Party Congress during first three days next week, this might not be until February 11.

Foreign Minister accepted my suggestion that I present written draft agreement after I have opportunity hear full Turkish reaction in further meeting. Full report will be made to Department following this meeting, with any proposals for changes in draft agreement contained Department's telegram 891.[4]

McGHEE

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[4]On Feb. 12, McGhee met with Menderes and Köprülü to discuss the agreement further. Both the Prime Minister and the Foreign Minister felt that such an agreement would raise no problems and McGhee commented that, based on these first two discussions, he anticipated little difficulty in negotiating an agreement in the form desired by the Department of State. (Telegram 1015 from Ankara; 711.56382/2-1353)

No. 473

782.5/3-753

Memorandum of Conversation, by the Ambassador in Turkey (McGhee)[1]

SECRET ANKARA, March 4, 1953.

Participants: Foreign Minister Köprülü
Ambassador McGhee

I called on the Foreign Minister today at my request. There was present in addition only the interpreter. The meeting lasted forty-five minutes.

I stated to the Foreign Minister that I had wished to call prior to his departure for Paris to see what was on his mind. I myself had no particular subjects of importance to bring up. I was, however, leaving tomorrow evening at five for Zonguldak with Mr. Sayre and wanted to be sure that I was correct in my assumption that he and the Prime Minister had not wished to discuss with me further before their departure the important question which I had recently raised with them and which was the subject of a memorandum which we had presented to the Turkish Government.[2] I did not wish to press the matter, since I realized it was of such importance as to require careful consideration on their part. However, I wanted to be available in the event they wished to discuss it further before their departure.

The Foreign Minister said that both he and the Prime Minister had been quite occupied and had not given the subject the full consideration they desired. However, he would call the Prime Minister to see if he wished to discuss it. After talking to the Prime Minister over the telephone, the Foreign Minister advised me that they preferred to wait until they had returned from Paris to discuss the matter further.

The Minister stated that he was happy to advise me of certain decisions which had been taken only that morning by the Council of Ministers, and which would satisfy all requests which General Arnold had recently made with respect to manpower in the Turkish Army. The decision had been taken to increase the number of men, officers and NCO's in the Army. The number of officers would be increased by lengthening the service of reserve officers

[1]Transmitted as an enclosure to despatch 552 from Ankara, Mar. 7.

[2]On Feb. 17, McGhee reported that he had transmitted to Köprülü a draft military requirements agreement based on telegram 891 (see footnote 3, *supra*). (Telegram 1038 from Ankara; 711.56382/2-1753) This draft agreement is the memorandum under reference here.

called back to duty from one to one-and-a-half years. The number of NCO's would be increased and new schools created for officers at the lower level. The number of men in the Army would be increased by cancelling the leaves which now, as a matter of policy, have been granted to some 20 per cent of enlisted personnel.

I expressed satisfaction with these steps. I pointed out that General Arnold had long felt the need for increasing the number of officers and NCO's in the Turkish Army. In addition, the General felt that many units were not up to required strength. I asked what decision had been taken on the question of orderlies, which I knew had been under discussion, what the total increase in personnel would be in the various categories, and whether the additional personnel had been provided for in the defense budget.

The Foreign Minister replied that there had been no decision on the question of orderlies. Following debate in the Assembly the Government proposal had been withdrawn and would be resubmitted later. Because of social and economic conditions, some compromise would be necessary. The number of orderlies would be reduced; however, some would be kept.

The Foreign Minister said that he was not able to give me precise figures as to the actual increase in the armed forces which would result from the decisions taken. The Minister of Defense had promised to have an estimate available for the Prime Minister upon his return from Paris. He said that the financial basis for the increase had "partly" been provided for in the budget just approved by the GNA. (In discussion with the Minister of Defense on this point later at luncheon, he assured me that there was an adequate amount in the defense budget to pay for the increase and more. He expected to make considerable savings through the further unification of the three services.)

I then asked the Foreign Minister if he would give me his estimate of the results achieved by the recent Greek-Turkish-Yugoslav military talks in Ankara,[3] and what the next step would be for continuing such talks.

The Minister replied that he had read the minutes of the recent meeting and could report that the discussions had been very general in nature. The two important things which had come out at the discussions were recognition of: (1) The necessity to organize the defense of Thrace and (2) The necessity to organize the defense of the common boundary of Yugoslavia and Greece. The Foreign Minister said that Greece and Turkey would report on the results of the meeting to the NATO Command, and would ask for their sugges-

[3]Regarding the tripartite talks held at Ankara, Feb. 17–20, 1953, see Document 327.

tions. Greece and Turkey could in this way act as liaison between the NATO Command and Yugoslavia.

The Foreign Minister said that he hoped that the United States military representatives in Belgrade could work more closely with the Yugoslav military. He referred to General Harmony's[4] discussion with him during the Minister's visit to Belgrade in which General Harmony had pointed out the fact that the Yugoslavs were reserved in showing him military installations and units. He referred also to his previous suggestion that since the United States had military representatives in all three countries, we were in a good position to assist in the military cooperation between Greece, Turkey and Yugoslavia. The Turks would, as he felt the Yugoslavs would also, welcome a NATO representative in their discussion. However, he understood that the small NATO members would probably object to any direct NATO participation. He pointed out that he had heard of no objection up to now on the part of the smaller NATO nations to the tripartite pact recently signed in Ankara.[5] He also pointed out the satisfaction expressed with respect to the pact by the French, by Mr. Eden and by the United States.

I replied that the problem of relating the tripartite military discussions to the NATO was one which my Government was considering, but that we were not ready yet to consider United States participation in the discussions, which the Minister had been kind enough to suggest.

I asked the Foreign Minister if he had any objection to Mr. Rountree's looking over the minutes of the recent tripartite military discussions in Ankara, which he had said would be furnished to the NATO. The more complete information we had on this subject the better able we would be to report on it to our Government. The Minister replied that they had no secrets from us, and they would be delighted to show the minutes to us.

The Foreign Minister advised me that he and the Prime Minister would probably depart Ankara on Sunday, March 8, for Paris. He said that there were no specific topics for discussion in Paris and no prepared agenda. The talks would be quite general. He said that in light of my knowledge of his attitude toward the French policy, I could probably guess some of the things he would say. He said that he intended to be very frank with the French along the lines of some of his discussions with me.

I wished him a pleasant and successful trip.

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[4]Brig. Gen. John W. Harmony, Chief of the U.S. Military Assistance Staff in Yugoslavia.

[5]For documentation on the Treaty of Friendship and Cooperation signed by representatives of Greece, Turkey, and Yugoslavia at Ankara on Feb. 28, see Documents 328 ff.

No. 474

882.10/3-2553: Telegram

The Ambassador in Turkey (McGhee) to the Department of State

SECRET ANKARA, March 25, 1953—8 p. m.

1185. Esenbel, Acting Assistant Secretary General for Economic Affairs, Foreign Office, approached me regarding additional Turk Export-Import Bank loan. He said Turks have not received response from Export-Import Bank to proposal for further Turk borrowings which he made to bank in October during visit States. At that time Esenbel presented bank tentative list projects aggregating 90.9 million dollars.

I replied I was not sure bank had considered his approach formal request, however, would investigate.

After full consideration Dayton joins me in urging prompt Export-Import Bank consideration this request. Long-range thinking Embassy and MSA, which agrees with that of Sayre group, is that future economic assistance to Turkey should principally be by loan on project basis. This particularly true in light anticipated limited availability economic grant funds fiscal year 54. We believe Turkey, whose foreign debt service now approximates only 7 percent of foreign exchange earnings, has current additional borrowing capacity of at least 100 million dollars. This view generally supported by Treasury Representative Ghiardi.

Turks have excellent longer-range opportunity earn dollars or gold through future EPU surpluses. We understand also that Export-Import Bank recently made loans involving combination of US and European procurement as against previous exclusive US purchases. In case of Turkey this combination would be highly desirable in view complimentary nature economies Turkey and certain European countries and long US haul, savings would tend stretch purchasing power of loans for certain equipment.

It is not believed present IBRD position in Turkey should prevent increased Export-Import Bank lending. Although IBRD has committed $47 million to Turkey and is in principle willing consider new projects, there is no proof of bank's ability provide funds at rate necessary to keep strides with present rapid Turk development. According Turk Minister Finance amount actually spent by IBRD in almost six years only $4,124,905.

Although we do not necessarily approve all of particular projects presented Export-Import Bank by Turks, opportunities for investment in Turkey, both public and private, so great in light expanding economy that no difficulty should be encountered in finding suitable projects covering 100 million dollars. There are many projects capable of contributing to productive capacity Turk economy and to foreign exchange savings or earnings. Responsible Turk officials as in other countries, would prefer in future to borrow rather than be recipient of grants, which in my judgment is most healthy approach to economic assistance to Turkey.

Please advise Department and Export-Import Bank reaction and whether we should, in answer Esenbel's query, propose that Turks make more formal application to bank. Dayton will discuss entire matter with Export-Import Bank, Department and MSA during forthcoming Washington visit.[1]

McGHEE

[1]Telegram 1205 to Ankara, Apr. 1, reported that the Department of State preferred that the Embassy not encourage the Turks to make formal application for this loan, pending discussion of the problem with Dayton. (882.10/3–2553) The Export-Import Bank did not issue the loan during the period under review.

No. 475

Ankara Embassy Files, lot 57 F 72, "322.2 Straits 1953"

Memorandum of Conversation, by the Ambassador in Turkey (McGhee)[1]

TOP SECRET ANKARA, May 2, 1953.

Participants: Prime Minister Menderes
Ambassador McGhee
Mr. William Rountree, Counselor of Embassy

I called on the Prime Minister today at my request. There were present, in addition, Mr. Birgi and Mr. Gork.[2] I was accompanied by Mr. Dayton but that portion of the meeting which he attended is being reported in the immediately following despatch.[3] The meeting covered herein lasted a half hour.

[1]Enclosure to letter by McGhee to Richards, May 6.

[2]A. Haydar Görk, Assistant Secretary General, Turkish Ministry of Foreign Affairs.

[3]See the memorandum of conversation, *infra*.

1. U.S. Military Requirements in Turkey.

I reminded the Prime Minister of the subject which had been under discussion since February 6, and concerning which we had presented a proposed draft secret agreement, involving U.S. Military Requirements in Turkey. I had carried on discussions on this subject with the Foreign Minister, Mr. Köprülü, with Mr. Zorlu and Mr. Birgi, and a meeting had been held to clarify the purely military aspects between Mr. Rountree and General Shepard on the one hand and General Torugay, representing the Turkish Government, on the other hand. The point had now been reached where some decision was required as to how we would proceed in carrying out the proposed agreement, the principal question being the degree of secrecy which could be preserved and what action, if any, the Turkish Government would have to request of the Grand National Assembly. I pointed out, as I had previously advised the Prime Minister, that it was our desire to keep the fact of the agreement secret. Even though certain actions pursuant to the agreement would become public knowledge, we did not desire the implication to arise that any new element had been injected into our relations with Turkey because of the possible Russian reaction. I asked the Prime Minister what conclusions the Turkish Government had reached in this matter.

The Prime Minister replied that this matter had been considered by the Turkish Government and that a decision had been reached to proceed with the negotiation of this agreement; that arriving at an understanding with the United States Government on our military requirements was as much in the Turkish interests as our own, indeed if we had not proposed it it would have been their duty to propose it. There remained only the question of how to accomplish our objective. Although a final conclusion had not been reached it was the feeling of the Council of Ministers that some type of enabling legislation would be required. If further discussions could be held on the details of the agreement, perhaps the question of form could be worked out. It was necessary to explore a little further precisely what we had in mind. He wished to appoint Mr. Nuri Birgi to continue these discussions.

I asked the Prime Minister whether he had in mind a continuation of discussions on the military aspects, or on the other points contained in the proposed agreement we had submitted. I pointed out that those questions dealing with taxation, for example, had been covered in a separate memorandum which we had tabled for discussion, and that we hoped shortly to table another paper dealing with the status of forces, immunity, etc. Both of these papers would be comprehensive enough to include our relations within the

framework of present policies, as well as covering the new proposed United States requirements.

It seemed to me that the principal problem which lay before us is to determine the way in which the agreement as a whole can be carried out. After this has been determined, a great many details would have to be discussed, including those affecting the actual military requirements. Since this appeared to be principally a legal and constitutional problem on the Turkish side, perhaps Mr. Birgi could attempt to draft whatever enabling legislation they felt was required, so that we could ascertain whether it met our requirements for secrecy. I pointed out that the NATO Status of Forces Agreement had now been approved by our Senate Foreign Relations Committee, and would shortly be considered in our Senate where we anticipated favorable action. Once this action is taken the Treaty comes into effect and Turkey can, if it chooses, adhere. If the enabling legislation required to grant our military requirements were submitted in general terms at the same time, it would become related to the SOF Agreement to such an extent that it would not be considered as anything new but arising out of the Status of Forces Agreement itself. I said I would be delighted to discuss this matter with Mr. Birgi in a future meeting, which was set for May 4.[4]

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[4]A memorandum of that conversation by McGhee, May 4, dealt with Birgi's proposal for authorization by the Turkish Grand National Assembly of negotiation of U.S. military requirements in Turkey. (Ankara Embassy files, lot 57 F 72, "322.2 Straits 1953")

No. 476

782.5 MSP/5-853

Memorandum of Conversation, by the Ambassador in Turkey (McGhee)[1]

CONFIDENTIAL ANKARA, May 2, 1953.

Participants: Prime Minister Menderes
Ambassador McGhee
Mr. Leon Dayton, Chief, MSA

[1]Enclosure to despatch 718 from Ankara, May 8.

Mr. Dayton and I called on the Prime Minister today at our request. There were present, in addition, Mr. Birgi and Mr. Görk. The meeting lasted a half hour. Other subjects discussed in the same meeting were reported in the immediately preceding despatch, copies of which have been forwarded to Mr. Richards.[2]

1. MSA Program

I stated to the Prime Minister that, as he knew, Mr. Dayton had recently returned from a trip to Washington where he undertook to obtain solution to several outstanding problems affecting the Mutual Security Program in Turkey, which he had discussed with the Prime Minister before his departure. I said that I would like him to give the Prime Minister an account of the results of his conversations with Mutual Security officials in Washington.

Mr. Dayton expressed pleasure in being back in Ankara and of having this opportunity to bring to the Prime Minister personal greetings from Governor Stassen. He said that he felt his trip to Washington had been well worth while and that in terms of the projects now being discussed with various agencies of the government, it had been entirely successful. He briefly outlined the Basic Materials Program, the Industrial Development Program, the Program to Stimulate the Flow of Foreign Private Capital and the Program to Implement Section 115k.[3] The Prime Minister recalled our initial discussions on these programs and expressed pleasure that they were now approved.

Mr. Dayton then said that as the Prime Minister might suspect, the good news was accompanied by some problems. He told him that these problems grew out of our participation in two of the major projects in Turkey, the Zonguldak Coal Basin Development and the Sariyar Hydro-electric Project. He said that for some time he had been aware of the fact that these projects were not going well. He pointed out that he had tried unsuccessfully to work out mutually satisfactory arrangements with Eti Bank which would give greater assurance that the projects would be completed on time at somewhere near the estimated cost. Also that the aid funds programmed for these projects would be efficiently used. Mr. Dayton said that after a rather thorough personal investigation, he had become convinced that both the Turkish and American Governments were paying for something that the Turkish Government is not getting, or at least that the Turkish Government is not

[2]See the memorandum of conversation, *supra*.

[3]Section 115 (k) of the Economic Cooperation Act of 1948, as amended, enacted by the Mutual Security Act of 1952, provided that $100 million in counterpart funds be put into a revolving fund for loans to European businessmen in order to encourage private enterprise.

using. He said that he had also begun to wonder whether these projects were being implemented on a sound engineering and economic basis.

Mr. Dayton admitted to the Prime Minister that he was not an engineer and, therefore, did not feel qualified to make decisions involving complex technical and engineering questions. He had, therefore, asked his Washington office to employ the most competent engineering consultant available to survey the status of the two projects and to give an objective judgment regarding the manner in which the two projects were being carried forward including requirements for foreign engineering services and, to the extent possible, reassess the time schedules originally set up for these projects. He reported to the Prime Minister that a consultant had been employed and that he had completed his survey at the end of March. Also that a concurrent survey was conducted by the MSA Controller's office to determine the actual use of foreign engineering firms employed to advise on or supervise the projects.

Mr. Dayton informed the Prime Minister that as a result of these surveys MSA/Washington had taken a decision to: (a) cease financing further technical or engineering services on either of the projects (with the exception of the Gordon Hamilton contract); (b) to provide no further financing of any other type for either of the projects; and (c) to request a refund of all direct dollar aid expenditures which have been made to date on the Sariyar project. He said that this action will involve a refund of about $5,000,000 and a cancellation of an equivalent amount of Procurement Authorizations which have been issued to the Eti Bank for the Sariyar project. He added that as the project now stands about $24,500,000 of dollar aid (including drawing rights and special resources) and $19,500,000 of Eti Bank financing has been used on this project. Also, that according to the latest estimates, it will require another $21,000,000 to complete it. This would bring the total cost of Sariyar to over $65,000,000 as compared with an original estimate of something around $45,000,000.

Mr. Dayton then told the Prime Minister that, though he had concurred in the Washington decision, he had asked that its implementation be withheld until after he and I had discussed the whole problem with the Prime Minister personally. He said that we were fully aware of the political implications involved on both sides and that the Prime Minister was entitled to an opportunity to take steps which would put the project on a sound basis. Mr. Dayton added, however, that since the technical services contracts expire on May 30, we had only until about May 15 to ascertain whether the Turkish Government and Eti Bank wish to put these projects on a basis which would justify continued MSA participation. He

also told the Prime Minister that all of us were interested in seeing these projects finished as rapidly and as economically as possible.

He said he had expressed the view in Washington that the Turkish Prime Minister would want continued MSA participation and he would prefer avoiding a situation in which MSA was forced to withdraw its support. Mr. Dayton said that in his judgment the difficulty could be resolved if the Turkish Government is prepared to propose that both projects be (a) rescheduled, (b) recosted, and (c) that a single American engineering firm be given the responsibility and authority on each project to assure that they proceed according to plan.

After Mr. Dayton concluded his remarks I emphasized to the Prime Minister our regret at the decision taken by the Mutual Security Agency to cancel the outstanding technical assistance contracts connected with the Zonguldak and Sariyar projects and to request refund on dollar costs on the Sariyar project up to this point. I stated that the difficulties which gave rise to this action had been known for some time. Starting during the time when Mr. Dorr was Chief of the Mission and continuing through Mr. Dayton's administration, we had made repeated efforts to resolve these difficulties, however without success. In addition to the adverse report made by Mr. Leerburger, Mr. Sayre and other members of his Mission had observed and commented upon the same problem.

I wished to assure the Prime Minister that both I and Mr. Dayton had every desire to help the Turkish Government overcome the possible effect of this decision. If the projects could be rescheduled and recosted and satisfactory supervision arranged for by a competent engineering firm before May 15th, we believed that the Mutual Security Agency in Washington might be able to reconsider its decision. If this could be accomplished there would be no need for any publicity or embarrassment to the Turkish Government.

I pointed out to the Prime Minister that I was particularly concerned in this matter since as a result of my recent conversations with him on this subject (see Embdesp 646, April 10)[4] I knew of his keen interest in future hydro-electric developments in Turkey. If we were forced to withdraw our support of the Sariyar project, it might make more difficult our participation in future projects and that of the IBRD and other lending institutions. The fact was, however, that if the Turkish Government could not devise a more effective administration for carrying out such projects, they would not be economic. The important thing was to devise an administrative procedure which would assure that the projects were carried out with maximum efficiency and minimum cost.

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[4]Not printed. (398.14/4-1053)

The Prime Minister turned to Mr. Görk and they carried on a brief exchange of conversation in Turkish at the end of which Mr. Görk reported in English that the Prime Minister was prepared to make such a proposal and that he accepted the idea of rescheduling and recosting and giving responsibility and authority to a qualified firm of engineers.

The Prime Minister went on to say that the difficulties now being experienced at Zonguldak and Sariyar could very well prove to be good experience for the Turks in that these mistakes could be avoided in other important projects still to be developed or started.

Mr. Dayton suggested that in view of this decision on the part of the Turkish Government, he immediately get in touch with Mr. Gokçen of Eti Bank to work out the details. The Prime Minister agreed.

2. Turkish Petroleum Legislation

I advised the Prime Minister that the third major American oil company, the Sinclair Company, had indicated its interest in prospecting for oil in Turkey and would send a distinguished geologist in June. I asked the Prime Minister what progress had been made in drafting suitable legislation to implement the announced policy of the Turkish Government to invite foreign oil companies to participate in exploration of Turk petroleum resources. Had the Government ever completed negotiations with Mr. Max Ball, the petroleum consultant it had selected?

The Prime Minister replied that negotiations had been concluded with Mr. Ball, who would shortly come to Turkey for ten days. He commented that Mr. Ball had been very expensive. The Prime Minister said he questioned, however, whether new legislation was required. There existed, perhaps, adequate authority, at least for the present.

I replied that although this was a legal point on which the Prime Minister was better advised than I, it is my understanding that the existing Turkish laws would not provide a satisfactory base upon which the companies would be willing to invest the large sums, perhaps ten to fifty million dollars, which would be required. Although they are now willing to engage in surface geological reconnaissance, which is not costly, I did not believe they would proceed further without a firm legal basis. In my judgment, it was extremely important that this basis be provided as quickly as possible, preferably during the present Grand National Assembly, since otherwise the companies might lose interest or suspect that the Turkish Government did not in fact mean what it said in the statement of its new policy. This, however, was a matter on which Mr. Ball could advise the Turkish Government.

The Prime Minister replied that if new legislation were required there would be no difficulty in getting its passage through the Assembly. He assured me that this matter would be studied thoroughly.

No. 477

782.5 MSP/5-2253

The Embassy in Turkey to the Turkish Ministry of Foreign Affairs[1]

SECRET

AIDE-MÉMOIRE

A discussion took place on May 18, 1953, between Ambassador William H. Draper, Jr.,[2] and other United States officials in Turkey, and the Turkish Foreign Minister and his colleagues, concerning Turkish military planning and force goals for 1953. Ambassador Draper pointed out that while SHAPE and CINCSOUTH naturally are concerned with what they consider necessary and desirable future military requirements, the realistic planning within Turkish capabilities, and within U.S. capabilities to provide equipment is, of course, carried on between the appropriate Turkish Government officials and JAMMAT. General Shepard, Chief, JAMMAT, and all of his staff are available for this purpose. Force planning naturally must take account of the personnel, training, equipment and financial capabilities of the Turkish Government, supplemented by the 145 million Turkish Lira to be made available in budgetary support by the U.S. Government in fiscal year 1953, together with whatever equipment the U.S. can furnish within the available appropriations through JAMMAT. The Turkish Minister of National Defense mentioned, in this connection, the intention of th Turkish Government to seek a supplemental defense appropriation of 81 million Turkish Lira for fiscal year 1953.

In connection with the decision of the Turkish Government concerning 1953 force goals included in the 1952 Annual Review completed at Paris last month, it was explained that the U.S. reservation as to the further study needed of the financial and equipment implications of the plan was made necessary since no decisions had been reached at that time by the U.S. authorities as to the size or

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[1]Drafted by Draper and McGhee, and delivered to Köprülü, May 19. Transmitted as enclosure 3 to despatch 765 from Ankara, May 22.

[2]Draper, who was to retire from his position as U.S. Special Representative in Europe in June, visited Ankara, May 17–19, to pay farewell calls on various Turkish officials.

composition of MDAP and other foreign assistance funds to be requested of the U.S. Congress. Ambassador Zorlu indicated his complete understanding of the reservation made at Paris.

Ambassador Draper pointed out that since that time the U.S. appropriation request for fiscal year 1954 for the Mutual Security Program had been forwarded by President Eisenhower to the Congress, which included an amount of $469 million for Title II (covering Turkey, Greece, Iran, the Arab States, etc.) as compared with an amount of $499 million actually appropriated last year for Title II. He had no information, however, as to the contemplated division of these funds among the Title II countries, it being quite possible that this would not be determined until the amount actually appropriated by the Congress is known. He also explained that, in accordance with the declining trend in U.S. foreign aid appropriations, the requested amounts for defense support involving budgetary assistance to the NATO countries had been substantially reduced from last year. As a consequence, the amount of this type of assistance likely to be available to Turkey for the coming year would necessarily be considerably lower than for the current year.

In discussing what had been referred to in recent discussions as "a pool of NATO equipment," it was pointed out that the only equipment available to Turkey from outside sources was that programmed by the U.S. through JAMMAT. Ambassador Zorlu said that he realized there was no NATO pool of equipment but said that he understood there was a possibility of obtaining additional equipment which other countries were unable fully to utilize. No one on the U.S. side knew of any such equipment actually being available, nor had they any assurance that such equipment, if available, would not be charged against the appropriations for Turkey. However, it was agreed that General Shepard would advise the Minister of Defense if any such equipment could be obtained.

General Shepard stated that he would endeavor to obtain early delivery of certain training items from the 1954 appropriation as soon as possible after Congress had acted, as even a few of these items would be of great assistance in the early stages of specialized training. The current efforts of the Turkish Government to strengthen its present armed forces, particularly through increase in its officer and NCO complement and its training programs, was commended highly by the American side. It was assumed, however, that this effort would be related to the plans developed by the Turkish Government and JAMMAT.

MAY 19, 1953.

No. 478

611.82/5-2753: Telegram

The Ambassador in Turkey (McGhee) to the Department of State[1]

SECRET PRIORITY ANKARA, May 27, 1953—10 p.m.

1433. Secretary and senior officers his party conferred with Prime Minister for two hours and half yesterday afternoon and had further conversation with president Bayar at dinner given by latter in evening.[2] Foreign Minister and other Foreign Office officials present on both occasions. Minister Finance and Minister Defense present at dinner.

In afternoon meeting Prime Minister set forth at some length his views on various points. He expressed view Soviets and satellites have advantage against free nations because uniform program directed by one power. He felt it important, therefore, that we concentrate efforts on greater unification free nations. Re Suez Canal issue, Prime Minister and Turks did not consider question exclusively one between Egypt and United Kingdom. Solution of vital concern to other countries, including Turkey, and question one which concerns NATO strategy in general. Turks convinced United Kingdom acting as guardian of key position in defense of free nations and not merely defending United Kingdom interests.

Prime Minister felt problem could be solved without adversely affecting Egyptian national aspirations if Egyptian Government could understand that presence foreign troops no longer constituted infringement of sovereignty. Turkish Government considered it of vital importance that canal zone defenses be maintained and that zone not be evacuated unless or until suitable alternative arrangements made. Prime Minister believed evacuation should not even be considered until expiration Anglo-Egyptian treaty, and then not until arrangements made for defense of canal area. He believed interested countries should give consideration immediately to defense arrangements to be effected after expiration of treaty.

With respect to Middle East defense, Prime Minister stated Turkish Government has reached conclusion there is no present hope of Arab participation in Middle East Defense Organization. He therefore, felt new defense arrangements must be undertaken. Prime Minister referred to weakness and instability of Arab states and lack of military power both now and for years to come. He considered main reason for seeking their cooperation not, therefore,

[1] Transmitted in two sections and repeated for information to Tripoli for Dulles.

[2] Dulles visited Turkey, May 25–27. For memoranda of his conversations with Bayar and Menderes at Ankara, May 26, see vol. IX, Part 1, pp. 137 and 148.

primarily to utilize existing military power but to prevent growing subversion by Communist propaganda and internal disturbances. Prime Minister emphasized conclusion that Turkey is backbone of Middle East defense by reason of social and political stability, determined attitude vis-à-vis Soviet threat and serious efforts expand already strong forces. (When Secretary later expressed surprise at Turkish disposition go ahead without Arabs, Prime Minister emphasized Turks would welcome Arab collaboration. In absence Arab willingness participate however, Turks felt that if we proceed with defense plans this may become incentive to them to join.)

Referring to tripartite pact,[3] Prime Minister noted importance of Yugoslavia's geographic position in defense southeastern flank NATO. Although terms of tripartite pact limited, Prime Minister felt its conclusion represented large step forward in direction Yugoslav collaboration with West. Turkey and Greece could have gone much further in undertaking more definite commitments with Yugoslavia but did not do so because of certain misgivings on part of United States and other NATO countries and complications of Italo-Yugoslav dispute over Trieste. Prime Minister felt that Yugoslavia now anxious for closer relationship with Western countries and believed our objective should be to bring Yugoslavia into NATO, or, if this proves impossible, to integrate it in some other way into NATO system. Alternatively, consideration should be given to increasing scope and effectiveness of three-power pact. Turks feel if Soviet pressures against Yugoslavia should be relaxed there is danger she might drift into state of neutralism in absence effective steps strengthen ties with West.

With reference to North African problems, Prime Minister expressed view they should be considered from same angle as Suez problem, i.e., as constituting strategic areas vital to defense of free world and not simply as colonial problems. He developed idea that since all NATO countries deeply interested multilateral approach through NATO should be considered.

Re possible four-power conference with Soviet Union,[4] Prime Minister expressed skepticism of any concrete results. On contrary, feared such meeting might give rise to unfounded hopes in various countries and disrupt unity Allies.

Prime Minister devoted considerable time to justifying military and economic aid to Turkey to support NATO force goals recom-

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[3]Regarding the Treaty of Friendship and Cooperation, signed at Ankara on Feb. 28 by representatives of Greece, Turkey, and Yugoslavia, see Document 328.

[4]Regarding Churchill's proposal to the House of Commons on May 11 for a four-power meeting, see Document 595.

mended by SHAPE-HAFSE study group[5] and urged increase Turkish military program fiscal year 1954 by transfer from Title I to Title II.

Secretary then commented on Prime Minister's presentation. Re Prime Minister's reference to Soviet advantage in unity of program and direction vis-à-vis free world, he pointed out such single control also point of weakness, since those subject thereto become themselves incapable of independent resourceful action in case of emergency.

On Suez problem, Secretary expressed agreement with Prime Minister's view that matter is of international, not purely British and Egyptian, concern. Each of us should strive in own way and without concerted pressure to bring this viewpoint home to Egyptians as he had endeavored while in Egypt. However, we must recognize that if base held by force against hostility Egyptian people it would be of little value to us.

On MEDO, Secretary expressed view that while Arab participation perhaps not now possible, we should not ignore Arabs in plans for Middle East defense. Encouragement should perhaps be given to certain states like Iraq which have better appreciation of situation and which may be prepared take defensive measures against Soviet danger.

Secretary expressed real gratification of United States at conclusion tripartite pact. He stated he could not indicate United States position on further steps to integrate Yugoslavia with NATO, but held open mind on views expressed by Prime Minister. Secretary noted several practical considerations which, although not necessarily insuperable obstacles, must be taken into account, including Italo-Yugoslav relations; attitude Scandinavian States; and public opinion in United States.

Secretary noted with interest Prime Minister's suggestion that North African as well as Suez questions be opened to negotiation as international and not merely national problems. He thought it important in one way or another to divorce question of security, which concerned us all, from colonial issues. French have been extremely reluctant accept international approach in these problems for fear security considerations would not be divorced from colonial aspects. This is why they also oppose United Nations consideration of Laos question. French might possibly take different view regarding NATO consideration of North African problem in belief NATO would be sympathetic to their position.

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[5]Telegram 1269 from Ankara, Apr. 15, reported the main conclusions of the SHAPE-HAFSE study group, which envisaged increases in Turkish forces contingent upon provision by FY 1954 assistance by $400 million. (782.5/4-1553)

Regarding possible Four-Power meeting with Soviets, Secretary noted strong public opinion support therefor. He assured Prime Minister that we were fully alert to possibility Soviet purpose really to spread such confusion in Europe that European Defense Community and German integration in European Defense Community might be prevented. Secretary could not predict whether there would be a Four-Power meeting, but gave assurance that if there were United States representatives would be very much on their guard.

Mister Stassen reviewed MSA program, emphasizing that it would be carried out in accordance with Secretary's foreign policy leadership. He made clear fiscal year 1954 program only recently presented Congress and commitments not possible before Congress acts. It may be two months before Congressional action taken and another month needed thereafter to relate wo-ld-wide program thereto. He emphasized that meanwhile Turks should not count on any particular amount. In considering this program we would have very much in mind progress made and determination shown by Turkey, as well as views expressed by Turkish Government.

Mister Stassen noted conclusion reached by President Eisenhower that United States defense expenditures and overseas programs must be somewhat reduced to assure sound United States economic and financial position, having in mind need to maintain strength over period of years to meet any existing threat. He commented that it is unlikely Congressional action will make it possible grant as much economic assistance to Turkey as last year. A number of European countries will receive no economic aid whatsoever. He expressed hope Turks could achieve proper export-import balance to avoid building up problems for future.

In concluding conversation Secretary paid tribute to Turkish awareness of fundamental problem confronting free world and staunchness in facing it.

In discussion in evening after dinner given by President Bayar, Secretary elaborated on United States efforts move forward in collective defense measures against threat of Soviet aggression around the world. He stated United States view present Soviet moves merely tactical and do not represent any basic change in Soviet policy. While we must keep open mind, we must not accept Soviet declaration at face value until proved by their actions. We must seek conserve our strength for long period ahead. In reducing our expenditures for own defense effort and foreign aid we are not fooled by Soviet tactics, but are seeking place ourselves in position to maintain defense effort over long period without endangering our economy.

In response to Secretary's request, Bayar then expressed his views on over-all defense problem and Middle East defense in particular. President stated Turks share United States views on continuing nature Soviet intentions gain world mastery although Soviet tactics are to compromise when necessary. Turks therefore continuing own defense preparations within limits their potentialities and hope other NATO countries will not relax their efforts.

President reviewed situation Arab States ad policy Arab League, noting extreme nationalism and current knotty problems such as Israel, Egypt and independence of several Arab countries. He expressed doubt Arabs would side with West even if these problems solved. Arabs appear unaware of greater danger from Russia. Under these circumstances President expressed view MEDO could not now be set up, and asserted that in event of war "we should feel free to conduct our strategy as situation dictates".

Regarding Suez issue President asked how could NATO consent to evacuation of British troops in the absence of a government sympathetic to NATO cause.

Secretary stated he greatly appreciated President's frank expression of his views. He added that although immediate situation gloomy we still hoped Arabs could gradually be brought into association with us.

McGHEE

No. 479

611.82/6-1853: Telegram

The Ambassador in Turkey (McGhee) to the Department of State

SECRET ANKARA, June 18, 1953—11 a. m.

1509. I have become increasingly concerned at coincidence number of factors which could affect extremely close relations between US and Turkey. Before departing Turkey[1] I consider it incumbent upon me to review these factors, since I believe it to be in our national interest to take every possible measure to avoid such a development.

Underlying occasional pin-pricks in US-Turkish relations is fact that responsible leaders of Turkish Government and Turkish public opinion appear to be disturbed over lack of consistency in US foreign policy. They note frequent contradictory statements by civilian and military officials and members of Congress and are increas-

[1] McGhee left Turkey on June 19.

ingly concerned that US may lose or deliberately abandon its position of leadership in anti-Communist world. This concern reflected in some measure in talks President Bayar and Prime Minister Menderes with Secretary on May 26.[2]

At same time, while Turks most appreciate substantial US aid in past, they have been led rightly or wrongly to believe, as numerous Embtels have reported, that NATO commands favor large increases in Turkish military program and onus for failure of this to come about has attached largely to US.

Aside from such general considerations affecting our relations with Turkey, our failure to invite Turkish President or Prime Minister to visit US (which they have clearly indicated to us they wish to do) or to indicate formally that such invitation is in prospect, undoubtedly has had adverse effect. This situation pointed up by announcement that King and Queen Greece have been invited to make state visit to US. Turks have also shown sensitivity over fact that in Secretary's speech[3] only passing reference was made to Turkey in contrast with other Middle East countries, and the Turkish leaders were only ones not specifically mentioned.

Another factor is that Turks have always demonstrated great interest in consultations with US on matters of common concern. Turks have sought our views on all important issues as they arose and usually before Turkish position taken; they have almost invariably followed our lead when it has been given. They feel, however, that we have not been equally forthcoming with them, and that we have not taken great interest in matters vital to them, i.e., the tripartite pact, with adverse results.

At same time prestige of other countries, particularly Britain and Germany, seems to be increasing in Turkey. Prime Minister and Foreign Minister were visibly impressed with British leaders they met in London during their visit last fall and for the coronation, and with spectacle of national unity which the coronation represented. Visit of Admiral Mountbatten to Istanbul with major units British Mediterranean Fleet July 27–Aug 3 is being further utilized to build up British prestige. Rapid resumption of Turkish-German commercial relations and natural friendship which exists between Turkey and Germany have increased German prestige here. These developments are of course to be welcomed; however, they would tend greatly to magnify any coincident decline in our own prestige.

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[2]For a report on this conversation, see telegram 1433, *supra*.

[3]For text of Secretary Dulles' "Report on the Near East", delivered over radio and television on June 1, see Department of State *Bulletin*, June 15, 1953, pp. 831–835.

There is, of course, no easy formula for meeting problem outlined above. Some steps become immediately obvious: (a) carefully implement policy of consultation with Turkish Government on all matters of mutual interest on the world as well as the NATO and Middle East levels, (b) pursue NATO procedures in such a manner that Turks are not led to expect special end-item assistance from NATO or more American aid than can be made available to them, (c) beyond this, convey to Turkish Government in near future some definite indication of our desire to invite President, or alternatively Prime Minister and Foreign Minister, to visit US at earliest practicable date (re my letter March 26 to Byroade[4]). I also believe it to be psychologically important to hasten announcement of my successor in Turkey since long delay in filling vacancy may be interpreted here as evidence we now attach less importance to this post than to other missions to which appointments have been announced.

Without overemphasizing important foregoing in US-Turkish relations, I believe we should lose no opportunity maintain and strengthen our ties with Turkey in all fields—political, military and economic. At time when so many other countries show tendency to relax common defense efforts, it is particularly important that we manifest in every practicable way our appreciation of continuing Turkish determination move ahead with own defense effort and close collaboration with US and other NATO countries.

McGHEE

[4]Not found in Department of State files.

No. 480

611.82/7-3053: Despatch

The Chargé in Turkey (Rountree) to the Department of State

SECRET ANKARA, July 30, 1953.

No. 60

Subject: United States-Turkish Relations.

Limit distribution. In its circular telegram 53 of July 23,[1] the Department requested my frank confidential estimate as to how the United States is regarded both by the Government and public of

[1]In circular telegram 53, the Secretary of State asked Ambassadors in 11 NATO countries and Austria and Germany for their frank confidential estimate and views on how the United States was regarded by the public and governments in the countries to which they were accredited. (611.00/7-2353)

Turkey. This question was asked within the context of recent reports indicating possible confusion on the part of our allies as to United States policy and perhaps a lessening of confidence in United States leadership.

Public and official attitudes in Turkey concerning the position of the United States in world affairs are, of course, determined largely by Turkey's own position and the extent to which the policies and objectives of the two Governments appear to be similar. They are also related to the Turkish estimate of the United States' determination and ability to meet its responsibilities of leadership in pursuing those policies and objectives.

There is virtual unanimity of opinion in this country as between the Government and opposition parties, and the public in general, on matters of foreign affairs. Communists are practically non-existent, and there are relatively few extremists. In this situation, the very basis of Turkey's policy lies in its relationship with the NAT, and particularly with the United States as the center of strength of the Western world. Turkey's understanding of the dangers posed by the Communist threat is strikingly similar to the Administration's, and its leaders have shown every determination to play their full part in meeting that menace. Unlike many of our friends, the Turks consider the present Russian peace offensive to be no more than the employment of new tactics, and not representative of any basic change in Soviet policy. Accordingly, they, unlike many other countries, share the view of the United States that Soviet words must be accompanied by actions before they are to be believed. They have viewed with concern, for example, the possibility of four-power discussions with the Soviet Union since they fear that such a meeting at this time and in the absence of more direct evidence of a change in Soviet policy would only lead to confusion and would serve no useful purpose in solving basic problems. Leaders of the Turkish Government, in discussions with American officials, have criticized Prime Minister Churchill for proposing such a meeting.[2]

The Turks welcome United States leadership, and fully support our efforts to strengthen the unity and security of the free nations, as evidenced in all major issues such as Korea, NATO, the EDC, and Middle East defense. The Turks have aligned themselves with us in every major item before the United Nations. They are prepared to go even further in measures of collective security than at present. While, as indicated above, there is no distrust of United States motives underlying our policy toward the USSR, there has been evidence of both Turkish official and non-official concern lest

[2]See Document 595.

the United States should too rapidly curtail or discontinue adequate military and financial support to its allies in measures designed to strengthen free world security. Although Turkish leaders and the press have shown reticence in discussing this matter, it is possible that their failure openly to criticize or question the United States on this score is due to calculated Governmental influence to play down issues which might affect the remarkable American-Turkish solidarity. Moreover, the Turks themselves are not satisfied that the substantial American aid which has been rendered to certain European countries has been effectively utilized in terms of building up defensive strength, and would welcome any measures which might encourage greater relative effort on the part of those recipients.

The Turks feel, and have been told many times by American leaders and the American press, that the United States' investment in Turkey has shown more results in terms of increased military strength than in the case of any other country receiving American aid. They have, rightly or wrongly, gained the impression from NATO representatives that even greater military aid will be forthcoming to support additional Turk efforts in the military field. There is no doubt that the Turks fully expect continued substantial American aid to Turkey, particularly military end-item assistance, even though that to other countries might be greatly reduced. A sharp reduction in the Turkish aid program, particularly in the present fiscal year, would undoubtedly be a severe shock to the Turkish Government and the Turkish public in general.

There has been no substantial evidence that the Turks feel that the United States is not living up to its leadership responsibilities. However, the Turks are fully aware of the cross-currents in domestic American politics and the apparent wide diversity of views upon many important issues, and appear occasionally to be baffled by inconsistencies reported among American political leaders.

The greatest fear in this country is not so much of the Soviet Union per se as of the possibility that the free world will become disunited and thus weakened. Differences between the United States and Great Britain are particularly regretted, and the impression that these are often aggravated by internal political motivations in the two countries has a particularly bad effect. The Turks feel that disunity can be prevented only if the United States continues to exercise its strong leadership and to employ the vision that has marked many aspects of our relations with the European countries in the post-war years. If internal disagreements and domestic considerations, such as demands for cessation of foreign aid, should result in a lessening either of the exercise of United States leadership or of the tools with which to implement it, Turkish con-

fidence in the future would be very seriously affected. They would naturally view with alarm any evidence that such a development might occur, although at present, in this country at least, this does not appear to be a matter of critical concern.

One particular subject concerning which the Turks appear now to think that American leadership has not been effectively utilized is the integration of Germany into the NATO defense system. The Turks have an extremely high regard for the Germans generally and particularly for German soldiers, and they have strongly favored measures designed to accomplish the objectives of the EDC. I believe that the Turks consider that France, which they regard as one of the weakest and least reliable members of NATO, has been permitted unduly to frustrate these objectives. I must emphasize, however, that this observation is based upon formal conversations between the Ambassador and other Embassy officials and Turkish leaders, and occasional press comment, rather than upon official expression by the Turkish Government. The Turks have not indicated how United States leadership might in their opinion be utilized more effectively in this matter. They would, I am sure, warmly welcome the exercise of United States leadership in obtaining more direct participation by Yugoslavia and Spain the NATO defense system, either by direct membership or by some suitable association. They would also welcome a more affirmative American policy designed to fill the security gap in the Middle East.

In connection with this general evaluation of United States-Turkish relations, the Department's attention is directed to the Embassy's telegram no. 1509 of June 18th.[3] In that message Ambassador McGhee reviewed a number of factors involved in the Embassy's concern that the extremely close relations between the two countries might be adversely affected. A particular point which he stressed concerned our failure to consult adequately with the Turks on matters of common interest. It was pointed out that the Turks have sought our views on all important issues as they arose, usually before the Turkish position was taken, and that they have almost invariably followed our lead when it has been given.

Whenever matters of international importance are taken up with Turkish representatives it is almost automatic for them to say that they share our views. This derives from two factors: first, as stated above, the Turkish evaluation of the world situation and how to deal with it is remarkably similar to our own and the Turkish leaders are extremely anxious that the western countries operate insofar as possible with unity; and, secondly, the Turks recognize United States leadership and only under unusual circumstances

[3]Document 479.

would they decline to follow that leadership. However, the Turks have reason to feel that we have not been adequately forthcoming with them. They resented the fact that all substantive information which they received upon the results of the recent quadripartite talks with Yugoslavia[4] was obtained from the Yugoslavs rather than from us, particularly considering the fact that the Turks (and Greeks) were then engaged in a series of simultaneous talks with Yugoslavia on political and military matters and had kept us fully informed.[5] The Turkish Government felt that we did not take a sufficient interest in their own negotiations leading to the conclusion of the tripartite pact between Turkey, Greece and Yugoslavia, or give them the benefit of our views upon this matter which was of such vital concern to them. Also, they undoubtedly now believe that they are not being consulted adequately on Middle Eastern questions.

Although the Embassy is fully aware of the great problem with which the Department is confronted in connection generally with consultations with our allies, it must be pointed out that unless some method can be found of taking the Turks more into our confidence in matters of common interest, our relations with them will inevitably suffer.

The conclusions which might be drawn from the foregoing as to the major factors to be borne in mind in determining United States lines of action in the coming months would, in most cases, concern general United States policies rather than those specifically related to Turkey. Within this context the Turks, for example, should have no doubts as to the firm determination of the United States to continue to build American strength and assist in the development of the defense capacity of other friendly countries, so long as there is no clear evidence of a reversal in Soviet aggressive policies and in the build-up of Communist military capabilities. In other words, every effort should be made to make clear that this United States bi-partisan policy is in no way affected by what might appear to be contradictory and conflicting statements of individual American leaders. Turkey, as all of our allies, should see clearly the line of American policy in the face of the continuing Communist threat.

It is also evident that the problem of consultation must be considered on a basis broader than with specific reference to Turkey. However, relating this to a single country, it is most important that we institute a policy of adequate consultation with the Turk-

[4]Reference is presumably to General Handy's talks with the Yugoslavs in November 1952; see Documents 659 ff.

[5]For documentation on these talks which led to the signing of the Balkan Pact, see Documents 306 ff.

ish Government on matters of mutual interest. We should make the Turks feel that we not only seek Turkish support for lines of action proposed by the United States, but that we solicit Turkish views upon international developments and will take them fully into account.

Such advance consultation will, it is believed, be equally beneficial in relation to matters of bilateral as well as multilateral interest, particularly where the United States is likely to decide upon a course of action which might prove distasteful to the Turkish Government. For example, if it should become evident that circumstances will render it absolutely necessary to reduce economic and military assistance to Turkey below levels which present plans indicate the Turks will need, a full and frank explanation of the reasons therefor in advance of the actual decision will make it more palatable to the Turkish Government and far easier for it to adjust its plans accordingly.

There are several specific subjects concerning which consultations with the Turkish Government during the forthcoming months would appear highly desirable. These include the results of any international conversations concerning Yugoslavia; United States views concerning Middle East developments and particularly the proposed Middle East Defense Organization; and the Korean Armistice. In the latter connection Turkey, one of the first countries to volunteer forces for Korea, suffered extremely heavy casualties and yet bore its responsibilities in this collective defense measure with unwavering determination. The Turks undoubtedly would resent it greatly if they were not asked to play as much of a role in the matter of the Armistice as other countries whose relative sacrifice was not as great.

One point which might appear incidental but the importance of which has been emphasized by the Embassy in a number of communications (see particularly despatch no. 16 of July 10, 1953[6]) is the question of an invitation to the President or Prime Minister of Turkey to visit the United States. The Turks strongly desire that such a visit take place and will be disappointed if an invitation is not forthcoming in the near future, particularly in light of the fact that the King and Queen of Greece have now been invited.[7] It is believed that such a visit will have substantial advantages, particularly with respect to the substance of this communication, and would provide an excellent opportunity for the Administration to give the Turkish leaders the benefit of its views on world problems

[6]Not printed. (782.11/7–1053)

[7]The King and Queen of Greece were scheduled to visit the United States for about a month beginning Oct. 28.

and the methods proposed to cope with them. In this way the confidence of the Turks in the United States and in American leadership could be materially enhanced.

WILLIAM M. ROUNTREE

No. 481

782.11/8-1153

Memorandum by the Secretary of State to the President[1]

WASHINGTON, August 13, 1953.

Subject: Invitation to the President of Turkey to Visit the United States

On various occasions in the past several years, Turkish officials have informally expressed the hope that the President of Turkey might be invited to visit the United States. This desire has been accentuated in recent weeks by the invitation to the King and Queen of Greece. Because Greece and Turkey have been bracketed together since our policy with respect to these two countries was enunciated in the Greek-Turkish Aid Bill in 1947, there is a feeling in Turkish official circles that an invitation to the Greek head of state without a similar invitation to the Turkish President reflects a waning interest on our part and a lack of appreciation of the heavy contributions Turkey is making in the common cause.

In addition to this consideration, I consider it appropriate that we publicly manifest, by means of a friendly gesture to the Turkish President, our appreciation for the stalwart collaboration of a nation which has steadfastly resisted Soviet pressures and which has become an outpost of Western strength and stability in a disturbed area. I therefore recommend that an invitation be extended to the President of Turkey to visit the United States. As he would probably not wish to absent himself from Turkey in the months preceding general elections scheduled for May 1954, I suggest that, if you approve, the visit be set for December of this year or January of 1954, the exact date to be agreed upon later. An appropriate occasion for the issuance of this invitation would be at the time Ambassador Warren presents his credentials to the Turkish President.[2]

JFD

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[1]Drafted on Aug. 7 by Baxter of GTI.

[2]On Aug. 29, the Embassy in Ankara was informed that President Eisenhower wished to extend an invitation to President Bayar to visit Washington and suggested that Ambassador Warren might tender the invitation on the occasion of present-

Continued

No. 482

711.56382/1-2154: Telegram

The Ambassador in Turkey (Warren) to the Department of State

TOP SECRET PRIORITY ANKARA, January 21, 1954—3 p.m.

742. It is clear that the Turks confidence in us has been disturbed by the apparently vagarious nature of some recent aspects of our dealings with them. While I have tried to reassure them as to our steadfastness and consistency of purpose, my reassurances have had a somewhat hollow ring in the face of facts. And I must say that I have myself been unable to avoid an uneasy feeling that we are asking them to accept commitments and make decisions which may well determine the course of their foreign policy for the foreseeable future, without having made the corresponding decisions on our side and being willing to accept the corresponding commitments.

For several years, we have tried to organize some kind of regional defense for the vulnerable southern periphery of the Soviet Union. It might be said that we have had the opportunity to make these attempts in peace thanks largely to the existence of the Turkish deterrent against Soviet aggression in the area. Having failed in our direct efforts, we are now asking the Turks to take the initiative and accept the primary responsibility for organizing the security of the region, and to "bell the Indian cat" in the process. What are we offering in return?

At the same time, we are asking the Turks to allow us to establish additional military targets in their own territory in the form of a forward strategic air-base and widespread electronic installations, together with over 3,000 personnel to man them.[1] Under my instructions in these negotiations, I have firmly refused to accept any US commitment for the defense of these facilities, or even to promise US support for any upward revision of Turkish level of forces in NATO. Since it is equally clear to the Turks and to us that they do not and will not have the capability to defend these installations, they must obviously conclude that:

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ing his credentials. (Telegram 226; 782.11/8-2953) Ambassador Warren reported on Sept. 18 that he had extended the invitation when he presented his credentials (Sept. 17) and that President Bayar had accepted for the dates Jan. 27-29, 1954. (Telegram 300 from Ankara; 782.11/9-1853)

[1]Further documentation on the negotiation for various facilities in Turkey is in file 711.56382.

(1) We do not trust them enough to give them an indication of our defense plans in the event of hostilities; or
(2) We have no such plans; or
(3) We regard our installations here and Turkey itself as expendable.

But not only are we currently asking the Turks to assume considerable additional risks and responsibilities without compensatory protection. At the very same time, we actually seem to be avoiding a commitment to sustain even the presently projected levels of Turkish forces. The impending decision to provide budgetary support during this fiscal year of course carries the implication of continued support of the agreed level in succeeding years. However, the fact that this year's decision may involve a slow-down in the Turkish military build-up leaves a doubt which can only be dispelled by a firm for-war decision on the subject and corresponding reassurances to the Turks. From their point of view this is certainly the irreducible minimum of their expectations.

Though the Turks have been cooperative in the Pakistan matter,[2] they are already showing considerable hesitation in connection with the facilities and related agreements. I believe they want nothing more than a completely confident collaboration with us and that they are both able and willing in principle to undertake the active role in Balkan and southern periphery affairs which we would like them to play in the security interests of us all. However, they are likely to show increasing reluctance to extend themselves until we are prepared to give them more concrete evidence of the consistency and dependability of our support.

WARREN

[2]For documentation on the negotiations between Turkey and Pakistan which led to the signing of a treaty on Apr. 2, 1954, see vol. IX, Part 1, pp. 433 ff.

No. 483

Editorial Note

President Celal Bayar arrived in Washington on January 27, 1954, for an extended ceremonial visit to the United States. During his 4-day stay in Washington, the President attended various State dinners and receptions given by President Eisenhower and the Department of State and addressed a Joint Session of Congress. For text of his address to Congress on January 29, see Department of State *Bulletin*, February 15, 1954, pages 247–249. Further documentation on the visit is in file 782.11.

No. 484

611.82/2-554: Telegram

The Ambassador in Turkey (Warren) to the Department of State

TOP SECRET ANKARA, February 5, 1954—3 p. m.

808. For Acting Secretary and Byroade. Please pass also Wilson, Defense and Stassen, FOA. Now that the negotiations between the Turks and Pakistanis[1] are well on their way to a successful conclusion, there are two urgent Turkish problems that require immediate consideration and decision.

1. The short-fall in the Turkish defense budget for this next Turkish fiscal year requires immediate decision. To continue as we have in the past to treat this problem on an annual ad hoc basis is not satisfactory. In order to encourage the Turks so to plan their economy that sufficient revenues are available to make their national defense effort self-supporting within the next four years, it is necessary that the United States review the Turkish as well as the American position and establish a general plan on which both we and the Turks can work in order to establish a Turkish military self-sufficiency at a prospective date. Coupled with this problem is the necessity of establishing a machinery of coordination so that successive NATO Commanders assuming responsibility for the land defense of this area shall not change tactical dispositions, particularly with reference to Turkey, beyond the over-all strategic NATO concept as well as the ability of the Turkish Armed Forces to discharge the tactical responsibility that may be placed upon them. Since we are relying upon the Turks to assume leadership in the area not only with respect to the development of the Balkan Tripartite Pact but also in the development of a collaboration of defense that reaches as far east as Pakistan, it is urgently desirable that the Turks should have a maximum degree of confidence in the fact of our planning and the phasing of its execution.

2. The current negotiations with the Turks on facilities and status of forces for our troops have progressed rapidly in the last six weeks and have now reached the point where only two or three subjects of importance are not yet agreed upon. One of these is the question of criminal jurisdiction. We cannot hope for benefits much beyond those obtained by the Turkish adoption of the NATO statute with respect to criminal jurisdiction. The adoption of this statute, whose submission to the Grand National Assembly is awaiting the conclusion of our negotiations, will in itself require some modi-

[1]For documentation on these Turkish-Pakistani negotiations, see vol. IX, Part 1, pp. 433 ff.

fication of the Turkish constitution with respect to the exercise of judicial processes. To ask the Turks to make an amendment to the constitution on their judicial processes in my opinion can only be justified if we consider it a matter of primary importance.

These considerations lead me to recommend most urgently that the Turkish country team be instructed to return to Washington not later than the last week in February in order to consult with all interested agencies in State, Defense, and FOA in order to arrive at the necessary decisions and then to take into confidence the three appropriate committees of each House of Congress, that is, Foreign Relations, Defense, and Appropriations. If these consultations can take place the last week in February it should be borne in mind that the President of Turkey and his party will have completed their official tour in the United States but will be remaining in New York that week privately and that several of them may be available if desirable for comment on the subject matter of our consultation.

General Shepard and Mr. Dayton concur.[2]

WARREN

[2]On Feb. 17, Warren was informed that FOA and the Departments of State and Defense were giving serious thought at the highest level to the short-fall problem and that he would be advised of developments. (Telegram 902 to Ankara; 611.82/2–554) Two days later, Warren was advised further that the Turkish Ambassador had been informed that the United States had decided to make available an additional $30 million to Turkey for defense support aid in fiscal 1954. (Telegram 916 to Ankara, Feb. 19; 782.5 MSP/2–1954)

No. 485

Editorial Note

On May 8, Ambassador Warren reported that Prime Minister Menderes had asked him to ascertain whether he might visit the United States at the end of the month to discuss a 4-year military and economic program for Turkey. (Telegrams 1171 and 1172 from Ankara, both May 8; 782.5 MSP/5–854) Following subsequent exchanges of cables between Washington and Ankara, it was decided to invite the Prime Minister for a visit early in June. Menderes arrived in Washington on June 1 accompanied by Deputy Prime Minister Zorlu, Defense Minister Etem Menderes, Foreign Office Under Secretary Birgi, and Chief of Staff General Baransel. Further documentation on the background and preparation for the visit is in file 782.13. Records of Menderes' conversations with President Eisenhower on June 2 and with Secretary Dulles on June 2 and 4 are printed *infra* and as Documents 487 and 488. For text of the tele-

gram summarizing the United States response to the proposed Turkish 4-year program, see Document 489. For text of the communiqué issued at the end of the Prime Minister's visit and sometimes referred to as the Menderes–Stassen Communiqué, see Department of State *Bulletin*, June 14, 1954, pages 912–913.

No. 486

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum by the President to the Secretary of State

CONFIDENTIAL WASHINGTON, June 4, 1954.

I was visited day before yesterday[1] by Prime Minister Menderes of Turkey, who brought up a number of subjects, the most of which I assume will be discussed in the conferences he is having with your Department and with FOA.[2]

One general subject that came up for discussion impressed me. It was the attitude of the Prime Minister—and his Government—toward the need for strengthening the "Southern Flank Alliance." He implied that the Turkish-Pakistan Alliance should be strengthened by including several of the intervening nations, including Afghanistan. He also believes that in this organization we should include Italy. I do not think that he meant that Italy should be detached from the Gruenther organization, but that it should be included in the Southern organization in such fashion that it would form sort of a pivot between the two fronts, much as Turkey itself now forms a link between NATO and the countries to the eastward.

Pursuing this line of thought further, he pointed out that it would, of course, be a very fine thing for the safety of the region if Yugoslavia could be included in NATO, but quickly acknowledged that under present conditions such a development is impossible. He volunteered that he was going to do all he could to promote a peaceful solution of the Trieste question so that with the Yugoslavs standing shoulder to shoulder with Turkey and Greece, Italy would not only be rendered much safer from land attack, but could devote its energies and reserves where needed.

D.D.E.

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[1]June 2.

[2]See *infra* and Documents 488 and 489.

No. 487

Secretary's Memoranda of Conversation, lot 64 D 199

Memorandum of Conversation, by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)

CONFIDENTIAL WASHINGTON, June 2, 1954.

Subject: The Balkan Pact and the Turk-Pakistani Pact

Participants: The Turkish Prime Minister, Adnan Menderes
Secretary of State

Also Present: Feridun C. Erkin, Ambassador of Turkey
Etem Menderes, Minister of Defense
Nuri Birgi, Acting Secretary General of the Foreign Office
Orhan Eralp, Director General, Ministry of Foreign Affairs
Ambassador Avra Warren
NEA—Mr. Jernegan

Prime Minister Menderes requested the Secretary's views on the Balkan Pact and the Turk-Pakistani Pact.[1] With regard to the Balkan Pact, the Secretary said that we sympathized strongly with the development of this arrangement but we considered the timing of any move to convert it into a military alliance should be very carefully considered. We attached great importance to the strengthening of the defenses of Southern Europe and the inclusion of Yugoslavia in the defense system. At the same time, we had to recognize that Italian emotions were strong in relation to the question of Trieste. There was danger that emotion would cause Italy to do something foolish. It was for this reason that we had been working so hard to bring about a solution of the Trieste question, and the Secretary believed it was now closer to settlement than at any time since the end of the war. Progress, however, had been slow. It had taken us four months to arrive at an understanding with the Yugoslavs and we must anticipate at least a month of discussion with the Italians.

The Prime Minister said he fully understood these considerations. The members of the Balkan Pact had been proceeding cautiously. Their next step would probably not be taken for another month. Nevertheless, he thought it might contribute not only to an increase in defensive strength but also to a settlement of the Tri-

[1]For documentation on the Balkan Pact, see Documents 306 ff.; for documentation on the Turkish-Pakistani Pact, signed Apr. 2, 1954, see vol. IX, Part 1, pp. 433 ff.

este question itself if further steps were taken to create a real Balkan alliance. The Italians should realize that this was really to their own advantage.

With respect to the Turk-Pakistani Pact, the Secretary said he considered this one of the most encouraging developments in the past several months or even perhaps in the past few years. It was in line with the thinking he had developed during his visit to the Middle East a year ago, when he had decided that Middle East defense must be based upon indigenous arrangements among the states of the northern tier. He emphasized that any such arrangement could be effective and lasting only if it arose from the genuine convictions of the people of the area. It could not be forced upon them from outside. He was convinced that Turkey and Pakistan were the two nations in that region which had a true appreciation of the Soviet danger, a willingness to act to meet that danger, and the necessary martial spirit. He hoped that in time they would be joined by Iran and Iraq.

Since both the Prime Minister and the Secretary had luncheon engagements the conversation was suspended but it was agreed that they would arrange an appointment to continue it at some time before the Prime Minister's departure.[2]

[2]A record of Dulles' conversation with Menderes on June 4 is *infra*.

No. 488

611.82/6-454

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade)[1]

SECRET WASHINGTON, June 4, 1954.

Subject: Meeting of Prime Minister of Turkey with the Secretary

Participants: The Secretary
Prime Minister of Turkey Adnan Menderes
Fatin Rustu Zorlu, Deputy Prime Minister
Etem Menderes, Minister of Defense
Mr. Nuri Birgi, Under Secretary General of the Ministry of Foreign Affairs
Mr. Orhan Eralp, Director General, Second Department of the Ministry of Foreign Affairs
Ambassador Avra Warren
Mr. Henry Byroade

[1]The source text bears a handwritten notation which indicates that Secretary Dulles approved Byroade's record of the conversation for distribution.

The Prime Minister of Turkey, accompanied as above, called upon the Secretary in his office at 2:35 p.m. on Friday, June 4th. The purpose of the meeting was to continue, at the Secretary's request, a previous conversation in the Secretary's office on June 2.[2]

The Secretary opened the conversation by expressing our gratitude at the initiative taken by Turkey in making the Turkish-Pakistan Pact a reality. He stated the United States looked upon this as an extremely important development which we hoped would draw other adherents.

There followed a general discussion on the possible adherence of Iraq and Iran. The Prime Minister and the Secretary both agreed upon the importance of the inclusion of these two countries as quickly as this is politically feasible. Aside from the military implications, it was agreed that the weaning away of a state such as Iraq from the negative Arab League was a good goal in itself. The Secretary mentioned the first problem in Iran is, of course, that of an oil settlement on which we were somewhat hopeful. The Prime Minister stated he felt the situation in both Iran and Iraq had improved over the past year and hoped that the United States would not hesitate to use pressure to gain these two adherents. The Secretary indicated we would not hesitate to do so when and if we thought such methods would be productive. We would, of course, wish to lean heavily upon the Prime Minister's advice as to the timing of any such moves.

During the above general discussion it was agreed that consideration at this point of Israel's adherence to the Pact was premature.

The Prime Minister mentioned his concern over difficulties between Afghanistan and Pakistan and their desire to see these two countries move closer to each other. The Secretary asked if they were considering becoming openly a mediator on the problems between Afghanistan and Pakistan and after some discussion it was indicated we should both attempt to be as effective as possible by working individually and confidentially with the two parties.

The Prime Minister then turned to the subject of the Balkan Pact. He felt there was no misunderstanding on basic policy. He was concerned with the question of timing. He was now afraid that both Athens and Belgrade would come to look upon Turkey as holding back on this matter. He asked the Secretary for any further views he might have. The Secretary replied he did not believe the Balkan Pact arrangement should advance further at the present time, at least until we get the Italian reaction to the latest

[2]A memorandum of this conversation is *supra*.

proposals on the Trieste problem. He was afraid if this new element were introduced it might cause Italy to refuse a Trieste settlement. He emphasized strongly his feeling that the Balkan Pact would be more valuable if the Trieste problem were settled previously and that this should be kept in mind by the parties concerned.

The Prime Minister agreed we should allow a period of time but he did not want to agree that the furtherance of a military alliance in the Balkans should be conditioned upon a Trieste settlement. He stated that they had now gone so far that it would be disastrous to attempt to turn back. He was afraid the Yugos may even now feel that the other two members are backing down. He referred to the fact that he would talk further on this subject to the Greeks at Athens en route to Turkey.

During the course of this conversation the Prime Minister twice used the phrase "waiting for 30 days". The Secretary's reply to such specific phrases was his reiteration that in his view the value of a Balkan military alliance would be much greater if a Trieste settlement can be achieved. The position of the United States towards Yugoslavia in particular would be quite different. He mentioned the view of our military that a "sore" spot in the Northern Adriatic would be a great defect to effective military cooperation. The Prime Minister agreed with this thesis, provided they did not have to wait indefinitely.

The Prime Minister concluded this subject by indicating that he thought perhaps the desire to move forward on the Balkan Pact could be used effectively with the Yugos to get them to be more forthcoming regarding a Trieste settlement. The Secretary indicated complete agreement with that approach.

Turning to the subject of the Geneva Conference, the Prime Minister indicated the concern of Turkey that differences had arisen between major powers of the Western world. He indicated his keen disappointment that the United States should find itself alone on any issue and wanted the Secretary to know that he had the moral support of Turkey. Turkey felt that the loss of Asia would be a most serious blow, that the Soviets were relentlessly following a set program to reach that goal. He said that the time would come when there must be a forced halt to their plans. The Secretary expressed his gratification for the Prime Minister's support. It appeared to us that there might come a time when a line would have to be drawn and we would have to fight. He mentioned that many of our friends were reluctant to consider such an alternative. The Secretary stated in view of certain complexities there were issues where it would be very difficult for the United States to make the effort alone but in the last analysis we would do just that if we had

to. We felt otherwise step by step we might reach a situation where we were all dangerously jeopardized. The Secretary said he recalled times in the past when the Turks had said they would fight if necessary and he felt Turkey had gained the respect and confidence of the free world because of such stands. The Secretary said it was easier to talk of these methods to the Turks who had this background than with some other nations who seemed doubtful they could ever take such a strong line.

No. 489

782.5 MSP/6–554: Telegram

The Secretary of State to the Embassy in Turkey

CONFIDENTIAL
PRIORITY

WASHINGTON, June 5, 1954—2:39 p. m.

1351. Five days discussions with Prime Minister and party all most friendly nature concluded afternoon of June 4 in meeting at which Governor Stassen formally gave Prime Minister US views and decisions resulting from Turkish presentation.[1] Following is summary *Aide-Mémoire* presented Prime Minister, full text of which being pouched:[2]

US recognizes Turkey has assumed defense posture which places heavy strain upon its resources and which makes necessary substantial assistance from US and other free nations. US intends continue program of military assistance to Turkey based on meeting NATO force goals. Assuming Congressional approval global military assistance program and no critical emergencies which might make redistribution overall program subject to review, US prepared increase presently approved military assistance program "by an amount to meet one-fourth of unfunded US screened requirements Turkish armed forces to achieve NATO goals". US also prepared accelerate deliveries from present pipeline approximately one-half billion dollars already funded and programmed for Turkey. In recognition fact Turk economy cannot yet support military establishment US has requested Congress for seventy million economic assistance FY 55. Although impossible US make commitments beyond present fiscal year will join with Turkey in continuing appraisal future needs and measures which may have to be taken by Turkey and US in attainment common objectives. In this connection some concern expressed at certain trends in Turkish

[1]No other record of this meeting has been found in Department of State files.
[2]Transmitted as an enclosure to airgram 245, June 8. (782.5 MSP/6–854)

economy which could if continued jeopardize sound economic conditions vital to success of investment and defense goals. Earnestly hoped the Turkish Government will be successful in applying measures which Prime Minister described as necessary to prevent any adverse development in current economic situation. End Summary.

FYI Based on US figures for achieving force goals increased military assistance program FY 55 will be approximately two hundred million instead of previously planned eighty-seven million. End FYI.

DULLES

No. 490

728.5 MSP/10-754

Memorandum of Conversation, Prepared in the Bureau of Near Eastern, South Asian, and African Affairs[1]

SECRET WASHINGTON, October 14, 1954.

Subject: Turkish Ambassador's Call Following Return from Turkey

Participants: Feridun C. Erkin, Turkish Ambassador
John D. Jernegan (NEA)
Francis F. Lincoln (GTI/E)
Ben F. Dixon (NEA)
Edwin M. Wright (GTI)

Ambassador Erkin called at his own request to discuss a number of items that had awaited his return from Turkey after a three-month absence.

1) The Ambassador asked how the military and economic program outlined in June 1954 between Prime Minister Menderes and the U.S. was being implemented.[2] Mr. Jernegan pointed out that in line with the Stassen-Menderes conversations, the FY '55 foreign aid bill contained schedules listing $70 million as economic aid to Turkey, that the total amount of foreign aid had been reduced while before Congress, that FOA was considering the apportionment of the aid, and there had been no change in plans as to the amounts to be allocated to Turkey. FOA was considering how the provisions of the legislation were to be applied. The Ambassador urged that the full amount of aid be extended as grant rather than as loan.

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[1]Drafted by Wright, Dixon, and Lincoln. The conversation took place at 11 a.m. on Oct. 7.

[2]Regarding this program, see telegram 1351, *supra*.

The Ambassador then asked Mr. Jernegan if there had been any developments regarding the military assistance understandings of the Menderes–Stassen communiqué.[3] Mr. Jernegan replied that the military assistance problems actually proved to be more difficult than the economic ones. The funds requested were substantially cut by Congress. Also the same problems with regard to South East Asia as in the case of economic assistance programs presented themselves with regard to the military ones. The Pentagon is now working very hard at reprogramming military assistance to be consistent with Congressional reductions planned. He asked Mr. Dixon if he would elaborate on this. Mr. Dixon said that the study under way in the Pentagon was not expected to be completed before the end of November. However, he believed the lateness of the appropriations followed by the detailed study required in reprogramming would not affect military assistance progress since normally new fiscal year programs do not get well under way until later in the fiscal year. It would be difficult to predict the outcome of this study. Adjustments must be made to bring all programs within Congressional appropriations and consistent with priorities and commitments throughout the world. For planning purposes there would seem to be a reasonable prospect that this year's program for Turkey would be roughly somewhat of the magnitude as agreed to by Mr. Stassen. It does seem clear that we will not be able to meet in its entirety the $200 million assistance level discussed by Mr. Stassen and the Prime Minister for this fiscal year. The Prime Minister would undoubtedly understand this turn of events since the phrase in the communiqué to the effect that the increase in the program for fiscal 1955 would be subject to the action of Congress and a review of commitments and priorities was included having in mind the contingencies which have in fact occurred.

Mr. Dixon said that the Ambassador would recall that the communiqué dealt with two courses of action regarding military assistance: one, that we would increase the 1956 fiscal year program to Turkey; and two, that we would accelerate deliveries on existing programs. The situation with regard to the second point was much more favorable. The rate of deliveries had been considerably accelerated. A check made that morning indicated that for the last six months for which we have completed statistics, i.e. up until August, $150 million worth of military equipment has been delivered. Of this amount $100 million has been delivered within the last three months. While these figures are rough, it is a clear indication of the rate of acceleration. The Ambassador expressed keen

[3]For text of this communiqué, see Department of State *Bulletin*, June 14, 1954, pp. 912-913.

appreciation that the deliveries had been so increased. Mr. Dixon said that it might be expected for an accelerated rate of delivery to be continued.

2) Two representatives of the Maritime Bank of Turkey were in Washington to purchase some ships for the Turkish Seaways. There was an unexpended balance of about $450,000 in an Ex-Im Bank loan given to Turkey and the cost of the ships would be about $2,000,000. The Ambassador requested the Department of State to support increasing the Ex-Im Bank balance by approximately $1,500,000 in order to make it possible to purchase the ships. Mr. Jernegan replied he would study the matter.

3) There had been great excitement in Turkey over the activities of Greece on the Cyprus issue. Mr. Menderes had courageously opposed any public demonstrations and was holding down Turkish public agitation with some difficulty. The Ambassador appreciated the U.S. position on this issue and hoped the UN might avoid discussion of the matter. Mr. Jernegan replied that we were trying to put it at the end of the agenda, we would oppose discussion, and hoped it might not reach the Assembly before the Christmas adjournment came.

4) Some two years ago there had been discussion of negotiating a new Treaty of Friendship, Commerce, and Navigation with the U.S.A. but the Turkish Government had found the U.S. standard form rather complicated, in places contradicting Turkish laws. While in Ankara this past summer, the Ambassador had urged action on the Treaty. The Turks had appointed a committee to find out what changes in the Treaty and what changes in Turkish law were necessary in order to come to an agreement. This study was now near completion. If the Department of State instructed the Embassy in Ankara to take up this matter, something might be done. Mr. Jernegan said there was a simpler recent standard Treaty. Mr. Wright noted that he had recently given a copy of this new form to the Turkish Embassy. Mr. Jernegan stated that we would ask the Embassy to renew its approach on the Treaty.

5) When the Ambassador left Ankara, the Prime Minister asked him if he noted any changes which had taken place during the three years he had been absent. Ambassador Erkin replied that there was a total change in people's attitudes. Everyone was happy and busy. They smiled and had high morale. They felt a strong sense of confidence in Turkey and her future. United States aid had sparked a psychological momentum such as Turkey had not known for a long time. The Prime Minister had then replied to Ambassador Erkin: "When you get back to Washington, tell Mr. Dulles exactly what you told me. But add that a shadow is coming across this bright picture of Turkey's progress—the shadow is the

problem of Turkey's credits and shortage in foreign exchange." The Ambassador then recalled Prime Minister Menderes' request last June that Turkey be given $300,000,000 this year. He recalled it had not been favorably received at that time, but now in the light of Turkey's need, the Prime Minister had told him to reopen the matter of a request for a loan. Mr. Lincoln recalled the details of the discussion in the meeting last June and Mr. Jernegan asked whether the $300,000,000 would be a consolidated loan to fund all of Turkey's present short-term debts. Mr. Erkin replied that he did not think it was for the funding of debts but for continuation of the development program. No comment was made on this request.

After a few remarks about the London Agreement,[4] the Ambassador left.

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[4]For documentation on the London Nine-Power Conference, Sept. 28–Oct. 3, and the agreements arising therefrom, see vol. v, Part 2, pp. 1294 ff.

UNION OF SOVIET SOCIALIST REPUBLICS

PRINCIPAL ISSUES IN RELATIONS WITH THE SOVIET UNION; MAJOR APPRAISALS AND ESTIMATES OF THE SOVIET UNION; REPORTS ON DEVELOPMENTS OF SIGNIFICANCE WITHIN THE SOVIET UNION OF CONCERN TO RELATIONS WITH THE UNITED STATES[1]

No. 491

INR files[2]

National Intelligence Estimate[3]

TOP SECRET [WASHINGTON,] 8 January 1952.
NIE 48

LIKELIHOOD OF THE DELIBERATE INITIATION OF FULL-SCALE WAR BY THE USSR AGAINST THE US AND ITS WESTERN ALLIES PRIOR TO THE END OF 1952

THE PROBLEM

To estimate whether the USSR is likely *deliberately to initiate* general war, i.e., full-scale war against the US and its Western allies, prior to the end of 1952.

CONCLUSION

On balance we believe it unlikely that the Kremlin will *deliberately initiate* general war during 1952. We believe that the Kremlin

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[1]Continued from *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1522 ff.

[2]Files of National Intelligence Estimates, Special Estimates, and Special National Intelligence Estimates, retained by the Directorate for Regional Research, Bureau of Intelligence and Research.

[3]National Intelligence Estimates (NIEs) were high-level interdepartmental reports presenting authoritative appraisals of vital foreign policy problems. NIEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the National Security Council. The Department of State provided all political and some economic sections of NIEs.

The cover sheet to this NIE bears the following note:

"The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the Central Intelligence Agency in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 7 January 1952."

prefers to pursue its objectives through methods short of deliberate resort to war with the US and its allies, and moreover, probably estimates that possibilities for progress through such methods will continue to exist through 1952. We believe that in these circumstances the Kremlin is likely to be deterred from a deliberate resort to war with the US and its allies in 1952, by the certainty of extensive destruction in the USSR as well as by the risk that the Soviet system might be destroyed.

We recognize, however, the continuing grave danger of a general war in 1952 resulting from a Kremlin action or series of actions not intended to have that result, or even from actions which, in the Kremlin's view, entailed that risk, but not the certainty thereof. We recognize also the danger that general war might arise from Soviet-initiated hostilities which the Kremlin intended to limit to a particular area.

DISCUSSION

General Considerations

Soviet Objectives

1. The principal immediate Soviet objectives evidently are:

a. To divide the West;
b. To consolidate and extend Soviet power and influence wherever possible. (During the period under consideration Asia appears to offer the best opportunities.);
c. To prevent Western, West German, and Japanese rearmament;
d. To prevent implementation of the US overseas-bases policy.

2. We believe the USSR, in pursuit of its objectives, will throughout the following period:

a. Seek to maintain an advanced state of war-readiness and offset any increase in the capabilities of the US and its allies;
b. Seek to prevent the development of any threat to the vital interests of the USSR or to Soviet control of the Satellites:
c. Seek to expand the territorial limits of the Soviet orbit;
d. Seek to undermine and secure control of governments not yet under Soviet domination;
e. Seek to force countries of the free world to adopt a policy of neutrality in the East-West struggle and to deny their resources, including strategic sites, to the US and its allies.

The Place of War in Soviet Strategy

3. The basic strategy under which the Kremlin appears to have acted in the past employs the follow concepts:

a. The preservation of the established communist state, the USSR, is essential to provide a secure base and strong support for revolution in other states. In turn, revolution in other countries is

necessary for the preservation and completion of the revolution in the USSR.

b. No permanent accommodation is possible between this State and the capitalist world. The doctrine of the impossibility of peaceful co-existence between communism and capitalism and the inevitability of ultimate frightful collision before one side or the other prevails remains valid.

c. Capitalism, in that it is subject to irreconcilable contradictions, bears within itself the seeds of its own destruction. Depressions, class conflict, economic rivalry, colonial awakening, etc., will weaken the capitalist world and create revolutionary situations. The USSR must provoke and exploit such situations through political warfare[4] and, if appropriate, through the use of Soviet military force.

d. A grave danger exists and always will exist that the capitalist world, alarmed by the rising revolutionary tide, will unite to attack and destroy the USSR.

e. The USSR must seek to avoid the final world struggle until capitalist power has been sufficiently undermined, but must be ready at all times to assume the offensive if the situation should warrant it.

f. Recent Soviet pronouncements suggest that the Soviet rulers believe that the struggle between capitalism and Communism has reached an advanced stage in which the world is divided into two camps, and that the Western camp is now seeking not only to prevent the spread of the revolution, but also to destroy the Soviet-dominated camp.

4. It would be unsafe to take these Soviet concepts as an infallible guide to Soviet courses of action in the future. The USSR is a totalitarian state and experience suggests that totalitarian states are subject to internal pressures and compulsions which may result, without warning, in the use of foreign war as an instrument of national policy. However, Soviet use of war for this purpose can probably be better controlled than has been the case with respect to other totalitarian states in modern history. Therefore, Soviet courses of action can never be predicted with confidence. In particular the possibility of deliberate initiation of general war cannot be excluded at any time merely because such initiation would contradict past Soviet political strategy. Further, the possibility of deliberate initiation of general war cannot be excluded even if, judged from the outside, it seemed certain that the interests of the USSR would be better served by other courses of action.

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[4]Political warfare as here used includes all manner of political and economic pressure, diplomatic action in the UN and elsewhere, propaganda and front activities, Communist Party and Communist-controlled trade union activities, support of all kinds of revolutionary movements, and psychological warfare. [Footnote in the source text.]

5. While Soviet theory and practice offer no sure guide as to when and under what circumstances the USSR would deliberately resort to war against the US and its allies, they leave no doubt that the USSR is the implacable enemy of the non-Communist world. While in Soviet theory and practice war is an acceptable, and on occasion necessary, instrument for attaining Communist objectives, the Kremlin presumably prefers if possible to attain its objectives by courses of action short of resort to general war. However, Soviet theory and practice suggest that it would probably resort to armed attack at any time when:

a. Conditions are such that the USSR regarded the situation as highly favorable, or
b. No other method appeared available to counter what the Kremlin considered a threat to the preservation of the USSR.

Factors Which Might Deter the Kremlin From Deliberately Initiating War Against the US and Its Allies in 1952

Risks Involved and Uncertainty of Outcome

6. The Kremlin probably estimates that in the initial phase of a general war begun in 1952 Soviet and Soviet-controlled forces could seize and hold extensive and important areas of Europe and Asia and thereby enhance the USSR's power position. It might also estimate that it could, at the very outset, deliver an atomic attack on the continental US of sufficient strength to reduce materially the US capability for countering Soviet operations. However, the Kremlin would probably not expect a Soviet atomic attack on the continental US to eliminate the threat of atomic counterattack and prevent the mobilization of the US industrial and military potential.

7. It is impossible to estimate the Kremlin's conclusion with regard to the relative effectiveness of Soviet and US atomic warfare capabilities or with regard to the relative importance of atomic and conventional weapons in determining the issue of a war. The Kremlin would undoubtedly expect the West to react to Soviet initiation of a general war by launching an immediate atomic attack on the Soviet orbit, with consequent widespread destruction. We believe, however, that the Kremlin probably estimates that the USSR could survive this attack and maintain sufficient relative strength to carry on the war.

8. The Kremlin might believe that after the USSR had extended the areas under its control and survived the initial allied retaliation, it could fortify its newly-won positions and mobilize its newly-acquired resources. It might calculate that the economic and other losses suffered from continuing US attacks would be offset by the industrial and manpower resources it had acquired in Europe and

Asia. While the Kremlin would doubtless anticipate difficulties in establishing and maintaining firm control over the defeated populations and would also anticipate internal difficulties, its whole concept of state power suggests that it would expect to cope successfully with these problems.

9. In these circumstances the Kremlin might estimate that the resulting Soviet power position would deter the West from attempting to recover the areas overrun by the USSR. Furthermore, the Kremlin might believe that the loss of European and Asiatic resources, including manpower, might make it impossible for the US to carry the war through to a successful conclusion. The Kremlin would undoubtedly expect the US Government to be extremely tenacious and resourceful in its attempt to prosecute the war, even if denied support from Europe and Asia and subjected to increasing domestic pressure for peace. However, it might estimate that as the war dragged on opposition in the US to the war might rise to the point where the people would refuse to make the sacrifices necessary for the continuance of the conflict and thereby oblige the government to accept a compromise settlement.

10. On the other hand, the Kremlin would have to recognize that, despite initial Soviet successes at least a substantial portion of the power potential of the US would remain, and probably would in time be mobilized and brought to bear in a continuation of the struggle. In these circumstances the Kremlin would expect to be faced with operations of such magnitude as, at the least, to make the war long and costly to the USSR. The Kremlin would have to consider, in this event, whether or not it could survive the political, economic, psychological and military strains of a prolonged war of attrition.[5]

11. In view of the foregoing, it cannot be assumed that the Kremlin would necessarily expect to suffer defeat in a war with the US initiated in 1952. Nevertheless, the Kremlin would probably estimate that such a war would be a hazardous gamble on its part, in-

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[5]The Director of Naval Intelligence would add at this point the following paragraph:

"In weighing this question, the Kremlin would have to recognize the grave danger that in a prolonged war of attrition the USSR would be subjected to persistent and growing air attacks, including atomic attacks, possibly resulting in serious economic breakdowns and the disruption of Soviet administrative and police machinery. With regard to newly-overrun areas the Kremlin would have to weigh the logistical and security problems of maintaining, across broad expanses of conquered territory, adequate support and control of extended Soviet forces; the danger of the ideological contamination of Soviet occupation forces; the possibility of widespread guerrilla resistance, probably supported and directed by the Allies; and perhaps most important, the possibility that Allied bridgeheads on the Continent might be held throughout the initial phase of the war, and might in time be built up sufficiently to permit a major counteroffensive." [Footnote in the source text.]

volving at a minimum the certainty of widespread destruction in the USSR and at the same time carrying with it the risk that the Soviet system itself would be destroyed. This uncertainty would probably make the Kremlin reluctant deliberately to initiate a general war in 1952.

Prospects for Achieving Soviet Aims By Methods Short of Deliberate Initiation of General War

12. The Kremlin probably estimates that opportunities will continue to exist, at least during the period of this estimate, for furthering both its immediate and long-run objectives by methods short of the deliberate initiation of full-scale war against the US and its allies.

13. Communist doctrine stresses the strategic importance of the so called "colonial areas," especially in Southeast Asia and the Middle East, which are regarded as having a vital bearing on the world power balance. Bringing these areas under Soviet control, or at least denying their assets to the West, is regarded as one of the most important steps in preparing for the final phase of the world struggle. At present the Kremlin probably sees in the instability of these areas favorable opportunities for early Communist gains.

14. Although probably recognizing that it has little chance in 1952 of making territorial gains in Europe without deliberate resort to general war, the Kremlin probably believes that current and future economic difficulties, particularly in the UK and France, and divergent interests and attitudes among the Western Powers may prevent the establishment of a position of strength in the West. Furthermore these difficulties may make Western Europe increasingly susceptible to various possible Soviet maneuvers, such as the "peace" campaign, the relaxation of tension, trade overtures, exploitation of the fear of war, and intimidation by the display of military force, and may make possible the growth of the Communist movement in the West.

Factors Which Might Induce the Kremlin Deliberately To Initiate General War

15. In view of the above considerations we believe it unlikely that the Kremlin would deliberately initiate general war during 1952 solely for the purpose of expanding the area under its control. With respect to China we believe that the USSR would react to the progressive expansion of the present conflict in Korea by giving increased aid to the Chinese Communists, even to the extent of committing Soviet forces and thereby creating a *de facto* war between the US and the USSR in the Far East, but would probably not deliberately initiate general war.

16. If, however, the Kremlin concluded that a Western attack on the USSR were imminent and unavoidable, and that Soviet chances of surviving such attack would be improved by seizing the initiative and attacking first, it would almost certainly do so. We have no way of knowing what interpretation the Soviet leaders may be placing upon the information available to them concerning Western plans and preparations. But in view of apparent long-standing Kremlin concern over any real or imagined threat to Soviet security, of Marxist warnings over the ever-present danger of capitalist attack on the Communist world, of expressed Soviet suspicion of various recent Western military measures, and of various recent statements by Western public figures and of articles in the Western press, we believe that the Kremlin is probably disturbed over Western intentions.

17. There are, however, cogent considerations which probably lead the Kremlin to believe that a deliberate Western attack during 1952 is unlikely. The West will still be far from that degree of mobilization which the Kremlin probably considers necessary for a successful attack on the USSR. Western forces on the Eurasian continent will still be far from achieving effective offensive capabilities against the present military power of the USSR and the growing military forces of the Satellites.

18. Even if the Kremlin did not anticipate an imminent attack by the West, it would probably deliberately initiate general war if it came to the conclusion that an irreversible adverse shift in the balance of military power were developing, that it could not otherwise be checked or countered, and that it constituted a grave threat to Soviet security.

19. The Kremlin may estimate that already the balance of military power is shifting to its disadvantage because of: (a) progressive integration of the West; (b) the increase in Western defense production; (c) recent Western mobilization measures and the prospect of German and Japanese rearmament; and (d) the increasing atomic capabilities of the US.

20. However, we believe it unlikely that the Kremlin will, during 1952, conclude that the foregoing developments will necessarily result in a major shift in the balance of military power. The Kremlin probably foresees many difficulties in the implementation of a vigorous, united and lasting Western program for building military strength and corresponding opportunities for exploiting these difficulties. It may estimate that sooner or later such a program will fail because of political and economic difficulties among and within the nations of the free world, and that meanwhile the Soviet bloc, firmly under Kremlin control, can continue to improve its relative power position.

21. On balance we believe it unlikely that the Kremlin will *deliberately initiate* general war during 1952. We believe that the Kremlin prefers to pursue its objectives through methods short of deliberate resort to war with the US and its allies, and, moreover, probably estimates that possibilities for progress through such methods will continue to exist through 1952. We believe that in these circumstances the Kremlin is likely to be deterred from a deliberate resort to war with the US and its allies in 1952 by the certainty of extensive destruction in the USSR as well as by the risk that the Soviet system might be destroyed.

22. We recognize, however, the continuing grave danger of a general war in 1952 resulting from a Kremlin action or series of actions not intended to have that result, or even from actions which, in the Kremlin's view, entailed that risk, but not the certainty thereof. We recognize also the danger that general war might arise from Soviet-initiated hostilities which the Kremlin intended to limit to a particular area.

No. 492

700.00(S)/1-2452: Circular airgram

The Secretary of State to Certain Diplomatic Offices[1]

TOP SECRET WASHINGTON, January 24, 1952—8:05 a. m.

US–UK DISCUSSIONS ON USSR

In recent top-level US–UK discussions on the USSR, we expressed the view that the primary objective of the regime is to maintain itself in power first in the USSR and then to maintain its influence in the satellite areas. We said we did not think that our greatest danger lay in the possibility of a mass attack on western Europe but rather in creeping actions taken through satellites in parts of the world which would exhaust the western powers, such as is now taking place in Indochina. We therefore concluded that the main lines of military policy, as laid down in the report of the NATO Wise Men Committee, for 1952 and 1953 were correct—i.e., not to attempt to create forces beyond the capacity of ourselves and our Allies to maintain but to create sufficient force to make any action by the USSR in Europe too dangerous to be attempted.

[1]Prepared in the Bureau of European Affairs. Sent to Belgrade, Bonn, Brussels, Copenhagen, The Hague, Lisbon, Moscow, Oslo, Ottawa, Paris, Reykjavik, Rome, and Vienna. It constitutes a close paraphrase of Secretary Acheson's record of the meeting of President Truman and Prime Minister Churchill and their advisers on the U.S.S. *Williamsburg* on Jan. 5, 1952. See vol. VI, Part 1, p. 730.

Prime Minister Churchill expressed the opinion that the central factor in Soviet policy is fear and that the Soviets fear our friendship more than our enmity. He hoped that the growing strength of the West would reverse this, so that the Soviets would fear our enmity more than our friendship and would thus be led to seek our friendship.

ACHESON

No. 493

611.61/2-452

Memorandum of Conversation, by the Ambassador to the Soviet Union (Kirk)

CONFIDENTIAL [WASHINGTON,] February 4, 1952.

Subject: Meeting with the President

Participants: Harry S. Truman
Ambassador Alan G. Kirk

The President received me at 12:05 this date and we talked until 12:30.

He expressed regret at my leaving Moscow but recalled his own agreement that a third winter there would not be practicable. He is pleased with the selection of George Kennan, and I endorsed this nomination heartily.[1]

The President said the dates of acceptance of my resignation and the nomination of Mr. Kennan would be worked out by the Department and referred to him.[2]

We discussed the proceedings in the General Assembly, wherein I pointed out the efforts of Vishinsky to sway Committee No. 1 and the General Assembly into voting for the immediate and unconditional prohibition of the atomic bomb, thus by majority vote and before any safeguards have been established, the Soviets would

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[1]President Truman announced on Dec. 26, 1951, that he had acceded to the wish of Ambassador Alan G. Kirk to resign in the near future. The President also announced his intention to nominate George F. Kennan, then on leave from the Foreign Service of the United States, as Kirk's successor as Ambassador to the Soviet Union. Regarding the Kennan appointment, see *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1663 and 1673.

Ambassador Kirk left Moscow on Oct. 6, 1951, in order to serve as an adviser to the U.S. Delegation to the Sixth Regular Session of the U.N. General Assembly, held in Paris, Nov. 6, 1951–Feb. 5, 1952.

[2]Ambassador Kirk's letter of resignation to the President dated Feb. 5 and the President's letter of acceptance of Feb. 7 were announced by the White House on the latter date. Kennan's nomination to be Ambassador to the Soviet Union was also presented to the Senate on Feb. 7.

gain tremendous advantage over the free world. The President fully understood this point.[3]

Then I mentioned the attempts of the Soviet Delegation to sow dissension among the various Powers or groups of Powers in the free world, pointing out that happily in this regard little or no success had been achieved. The President was cognizant of these efforts and expressed pleasure at their failure.

We talked a little bit about Mr. Stalin's health. I said that our Embassy in Moscow at the time of my departure had no concrete evidence of failing health on the part of Mr. Stalin. It was recalled that Stalin had been present in the Bolshoi Theatre on the anniversary of Lenin's death on January 21, 1952. We then touched upon the matter of Stalin giving "agreement in principle", but finding the other members of the Politburo or the bureaucrats failing to implement these general principles.

I referred to the progress made in education among the people of the Soviet Union, and we speculated on the possibility that with increased knowledge the capacity to read and to think for themselves would increase and the people of the Soviet Union might—at some distant date—begin to pass their own judgment on the system of government under which they now live.

On taking leave of the President I thanked him for his trust and confidence, and he said very pleasantly that he had been pleased with what had been done.

[3]For documentation on these events, see *Foreign Relations*, 1951, vol. I, pp. 616 ff.

No. 494

611.6111/2-752

Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State[1]

CONFIDENTIAL [WASHINGTON,] February 7, 1952.

Subject: Regulation of Travel of Soviet Officials in the United States

In accordance with the discussion concerning the imposition of travel regulations on Soviet officials held at your Staff Meeting on January 31, this matter was referred for inter-departmental consideration by the Intelligence Advisory Committee. The IAC met February 7 and all interested agencies concurred in the proposal as submitted to them based on the results of the discussion at your

[1]Drafted by Davis (EUR/EE) and approved by Barbour (EE).

Staff Meeting.[2] Attached is a paper explaining the proposal with Annex I containing a brief history of travel restrictions placed on United States and other foreign officials in the USSR and Annex II which contains the text of the note to be sent to the Soviet Embassy in Washington.[3]

Only one change has been made in the note as submitted to the IAC which has been done at the suggestion of the Department of Defense. This will require that in the case of Soviet military personnel, notification should be sent to the Department of Army, Navy or Air, as appropriate. Previously the note had stated that notification in the case of Soviet military personnel should be sent to the Department of Defense.

In accordance with your expressed desire at your Staff Meeting on January 31, the proposed action is now submitted to you for final approval.

If you approve this proposed action,[4] we recommend that 48 hours in advance of the delivery of the note to the Soviet Embassy, we inform the House Foreign Affairs Committee in Executive Session of our intended action. Mr. Fisher with Mr. Barbour testifed before the House Foreign Affairs Committee on February 6 and found great interest on the part of the members of the Committee on the subject of travel restrictions.

We also recommend that simultaneously we inform the NATO Council of Deputies of our intended action. After the Staff meeting on January 31 our Deputy on the Council was instructed to inform his colleagues of our contemplated action. He was informed that our final action would not be dependent upon discussion or decision of the Council of Deputies. However, we believe it advisable to give the Deputies and thus to their governments at least 48 hours advance notice of our intended action.

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[2]In a memorandum of Feb. 13 to Assistant Secretary Perkins, Special Assistant W. Park Armstrong quoted from the minutes of the Intelligence Advisory Committee (IAC) meeting of Feb. 7 dealing with the question of the regulation of travel of Soviet officials. According to the quoted material, the IAC action-decision reads as follows:

"The IAC concurred in the proposal for the regulation of travel of Soviet officials in the U.S. as proposed by the Department of State, it being understood that the Department of State is going to make arrangements with the FBI for notification of every proposed trip by Soviet officials." (601.6111/2–1352)

[3]Annexes I and II are not printed here. For texts of the note ultimately presented to the Soviet Embassy in Washington on Mar. 10 and the paper (Annex I) released to the press by the Department of State on the same day, see Department of State *Bulletin*, Mar. 24, 1952, p. 451.

[4]Secretary Acheson took up the question of the regulation of travel of Soviet officials at his meeting with President Truman on Feb. 11; see the memorandum of conversation, *infra*.

Recommendations:

It is recommended that (1) you approve the imposition of travel regulations on Soviet officials in the United States in accordance with the proposal approved by IAC, and (2) you approve informing of our intended action members of the House Foreign Affairs Committee in Executive Session as well as the Council of Deputies 48 hours in advance of the delivery of our note to the Soviet Embassy.

[Attachment]

Paper Prepared in the Department of State[5]

REGULATION OF TRAVEL OF SOVIET OFFICIALS IN THE UNITED STATES

On January 15 the Soviet Government greatly increased its previous travel restrictions on American officials in the USSR. The history and nature of these restrictions, which have existed since 1941, are described in Annex I.[6]

The Department of State considers that the time has now come to regulate the travel of Soviet officials in the United States not on a security basis but solely on the basis of reciprocity in the treatment accorded to official representatives of each government by the receiving state. The suggested method of application of this regulation is set forth in a draft note to the Soviet Ambassador at Washington, which forms Annex II of this memorandum.[7] Our regulation will apply only to Soviet official personnel assigned to the Embassy in Washington, to Soviet newspaper correspondents whose place of work is Washington and to Soviet personnel of Amtorg in New York.

Although the proposed regulation of the travel of Soviet personnel in the United States is less onerous than the restrictions applied to American officials in the USSR, the Department has drafted the proposed note with the purpose of maintaining a flexible position which would enable us to forbid a proposed journey by a Soviet official, if such were thought expedient in the light of Soviet restrictive practices on our official personnel in Moscow. Ambassador-designate Kennan has approved this proposed procedure and has expressed the desire to be given the authority, if the occasion

[5]Documentation in Department of State files indicates that an earlier draft of this paper was prepared in the Office of Eastern European Affairs and served as the basis for discussion at the Secretary of State's daily staff meeting on Jan. 31, 1952, as requested by the Secretary.

[6]Annex I is not printed here, but see footnote 3, above.

[7]Annex II is not printed here, but see footnote 3, above.

arises after his arrival in the Soviet Union, to inform Soviet authorities that a relaxation in Soviet travel restrictions will be met by a relaxation in the regulation of travel placed by this Government on Soviet official personnel in Washington.

The Department has informed the United States Deputy on the NATO Council of Deputies in London of this proposed action and has instructed him to inform his colleagues of the measure being contemplated. He has been instructed to say that while a final United States Government position has not yet been reached, we would like to obtain from the other Deputies an expression of the views of their governments whether they intend to regulate the travel of Soviet official personnel in their respective countries. However, our final action will not be dependent upon any discussion or decision by the NATO Council of Deputies.

Secretary Acheson has approved of the procedure for regulating the travel of Soviet official personnel in the United States as outlined above. It is desired, however, to have the comments of other interested government agencies and their concurrence in the action finally taken.

No. 495

601.6111/2-1152

Memorandum by the Secretary of State

CONFIDENTIAL [WASHINGTON,] February 11, 1952.

MEETING WITH THE PRESIDENT

Item 2. Travel Regulations on Soviet Personnel[1]

I went over this matter with the President, explaining to him what the Government had done to foreign diplomats, the nature of our proposed regulations, the fact that they were based on reciprocity and not security, and why similar restrictions were not at this time proposed for Soviet personnel in the United States.

The President approved. He asked that I address a memorandum to him for his files, stating that pursuant to his authorization of this morning we would send the attached note regarding regulation for travel of personnel to the Soviet Ambassador. We should then attach a copy of the note. We should also in the memorandum tell

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[1]For the antecedents to this issue, see Perkins' memorandum, *supra*.

him when we would send the note and release the matter to the press.[2]

[2]In a memorandum of Feb. 14 to the President, Acting Secretary James C. Webb explained that the Department would send the note to the Soviet Embassy on Feb. 16 and would announce the action to the press on Feb. 18. Responding to requests for delay from several NATO nations, the Department postponed delivery of the note pending further discussion of the matter at the North Atlantic Council session in Lisbon, Feb. 20–25. The note was delivered on Mar. 10.

No. 496

Editorial Note

The United States Senate confirmed the nomination of George F. Kennan as Ambassador to the Soviet Union on March 13 and President Truman announced the appointment the following day. Regarding Kennan's nomination, see footnotes 1 and 2, Document 493. For Kennan's brief account of Senate consideration of his nomination, see Kennan, *Memoirs, 1950–1963*, pages 106–107.

Kennan paid an official call on President Truman at the White House on April 1. No official record of the meeting has been found. In his own recollection of the meeting (*ibid.*, page 107), Kennan indicates that the President gave him "no instructions of any kind".

Kennan took the oath of office as Ambassador to the Soviet Union on April 20. In a statement issued to the press on the occasion of the oath-taking, Kennan said the following:

"My job in Moscow, as I see it, will be to implement the policies of the U.S. Government within the area of responsibility given to me. The Embassy at Moscow is only one small part of the machinery for the implementation of our foreign policy and its effectiveness is always going to depend on the extent to which the Ambassador there bears this in mind and contrives to function as a member of a team. The opportunities for service must be determined, as in the case of any other diplomatic mission, largely by circumstances, and I cannot foresee them at this time. I will be happy if the work at Moscow gives me a chance to make a contribution to the reduction of existing tensions and the improvement of the international atmosphere. Those are objectives which seem to me urgently desirable and I see no reason why they should not be within the realm of possibility, if the desire is reciprocated." (Department of State *Bulletin*, April 21, 1952, page 643)

According to his account (*Memoirs, 1950–1963*, page 107), Kennan luncheoned with Secretary Acheson on April 2. Acheson was "cordial but very reserved" and gave no instructions to Kennan on his mission. No official record of this luncheon meeting has been found in Department of State files.

No. 497

611.61/4-352

Memorandum of Conversation, by the Ambassador-designate to the Soviet Union (Kennan)[1]

CONFIDENTIAL [WASHINGTON,] April 3, 1952.

Subject: Luncheon Conversation at the Soviet Embassy

Participants: Ambassador Panyushkin
Mr. Boris I. Karavaev, Counselor of the Soviet Embassy
Ambassador-designate George F. Kennan
Richard H. Davis, EE

I telephoned Ambassador Panyushkin on April 2 to invite him to have luncheon with me and one other officer of the Department and was met by his counter-invitation that I have luncheon with him today at 1 p. m. at the Soviet Embassy, which I accepted.

We were met at the door of the Embassy by Mr. Myshkov and escorted upstairs to the large reception room facing 16th Street where Ambassador Panyushkin and Mr. Karavaev were waiting to greet us. During the five minute conversation before luncheon over a cocktail seated in the reception room, our conversation was devoted to climate and meteorological conditions.

At the luncheon table at which there were only the four of us, served by a single maid, the conversation took a more natural, practical turn. I had the impression during the course of our conversation at the table and afterwards over coffee that the Soviet Ambassador and his Counselor were pleased at the opportunity to receive us in this informal fashion and to talk in general about things without undue emphasis on political differences. I purposely avoided contradicting or entering into a debate with them upon some of the ideas they expressed.

Possibly the chief points of interest in our two hours' conversation, conducted entirely in Russian, were these:

1) The Ambassador spoke of the shallowness of understanding in this country which was prevalent not only among average Americans but even among those intellectually above average with relation to the Soviet Union and its purposes. Both he and Mr. Karavaev told stories of how their countrymen when identifying themselves as Russians had encountered on the part of Americans incredulity and expressions of "Impossible, where is your beard?" or

[1]Drafted by Davis and read, corrected, and approved by Kennan. Kennan's diary (*Memoirs, 1950–1963*, pp. 107–108) contains a brief description of this luncheon meeting.

"Why aren't you black?" The Ambassador stated with obvious feeling that he had heard intelligent Americans refer to his countrymen as "barbarians."

This line of thought among other things which the Ambassador said revealed that they have become aware and sensitive to those reflections of present tensions in the relations between our two countries, which they have personally encountered.

2) The Ambassador talked at some length about "correspondents" and "journalists", the former being defined as those who wrote down without understanding that which they heard and saw and the "journalists" being described as those who observed well and understood the implications behind facts and events which they were able to interpret for their readers. He then went on to refer to Walter Lippman, Arthur Krock and James Reston, about whom he seemed to have a respectful opinion. Lippman, he thought, was experienced and an independent thinker. He was particularly curious about Reston, whose position and qualifications apparently baffled him.

3) The Soviet Ambassador then brought up the recent replies made by J. V. Stalin to the questions of certain U.S. newspaper editors[2] and complained that Stalin's statements were so often brushed aside as mere propaganda in this country. He referred in a serious tone to Stalin's statements as "most authoritative—more so than those of the Ministry of Foreign Affairs."

It may be that, in view of Lippman's recent articles criticizing our reply to the Soviet note on Germany and Stalin's reply to the effect that he considered this an opportune time for the unification of Germany, the Ambassador was attempting indirectly to draw me out on our attitude toward the German question. He did not press the matter when he failed to obtain any reaction.

4) At about this time, Mr. Karavaev broke in to remark that there were not any questions which the Soviet Government was not willing to discuss wth us, that the Soviet Government, as it had made clear by repeated statements, was willing at any time to enter upon discussions leading to a settlement of any existing problems.

5) The Ambassador spoke of his service in China with evident nostalgia and with warm feeling for the great qualities of the Chinese people. He revealed that his twenty year old son had always had an inclination toward the study of the Chinese and other Siberian languages and was now studying at the Oriental Institute in Moscow. His other son, fifteen years old, had always had, on the other hand, a penchant for mechanical things although still in the 8th year class.

In our conversation I tried and, I think, succeeded in conveying the impression that I had no special proposals to make after my

[2]On Mar. 31, Stalin replied to four questions submitted to him by a group of American editors. In his answers, Stalin indicated that he thought war was no closer than it had been two or three years earlier and that a meeting of the heads of the great powers might be helpful. For text of the questions and answers, see *New York Times*, Apr. 2, 1952; *Documents on American Foreign Relations, 1952*, p. 103; or *Documents* (R.I.I.A.) for 1952, p. 224.

arrival in Moscow; that the problems between our countries were not easy nor quick of solution and that I saw only a long road ahead if we were to improve the present atmosphere.

The Soviet Ambassador obviously had had no time to receive instructions from Moscow as to the conduct of his conversation at our luncheon, and it is perhaps for this reason that he himself did not attempt to turn it into a political debate. Nevertheless, I thought there was a note of relief and even genuine cordiality on the part of our Soviet hosts that they could talk with us in this free and informal way. Perhaps it was also noteworthy that our hosts, while pleasant and hospitable, made no effort to ply us with drinks or turn the occasion into one of false conviviality.

No. 498

Editorial Note

Ambassador-designate George F. Kennan arrived by aircraft in Moscow on May 6. He called on Soviet Foreign Minister Andrey Yanuaryevich Vyshinsky on May 9 to present copies of his letters of credence and to request an audience with Nikolay Mikhailovich Shvernik, Chairman of the Presidium of the Supreme Soviet of the U.S.S.R. Chargé Hugh Cummings' two-sentence report on the meeting concluded as follows: "Brief non-official conversation of few minutes concluded meeting which held in congenial atmosphere." (Telegram 1803 from Moscow, May 10; 123 Kennan, George F.)

Ambassador Kennan presented his credentials to Chairman Shvernik in a formal ceremony on May 14. The text of Ambassador Kennan's formal remarks to Shvernik was a revision by Kennan of a text which had been drafted earlier in the Department of State and transmitted to the Embassy in Moscow in airgram 165, April 23. (123 Kennan, George F.) As reported by Kennan in telegram 1812, May 13, the remarks read as follows:

"I have the honor to present to you the letters of recall of my predecessor and the letters accrediting me as Ambassador of the United States of America to the Government of Union of Soviet Socialist Republics.

"The principal purpose of the Government of the United States in its relations with the Soviet Government is the peaceful adjustment of all those specific questions the solution of which requires agreement between the two governments. Furthermore, my government wishes to see the removal of the conditions which up to this time have impeded normal associations between the citizens of our countries.

"In entering upon my duties as Ambassador of the United States of America in Moscow, I am in a position to assure you, and

through you other responsible leaders of the Soviet State, that my activity as Ambassador will be devoted to the promotion of these aims. I hope that this activity will meet with the understanding and collaboration of the Soviet Government."

Kennan telegraphed the following brief description of his meeting with Shvernik:

"Presented letters of recall and credence to Shvernik today at brief and correct ceremony in pleasant atmosphere. Altho I have not yet received written text his reply, it seemed to me to be patterned closely on my remarks; except that in response my expression hope for Sov Govt's 'understanding and collaboration' Shvernik assured me of Presidium's and Sov Govt's 'collaboration' without reference to 'understanding'." (Telegram 1822 from Moscow, May 14; 123 Kennan George F.)

For Kennan's own account of the formal presentation ceremony, the circumstances and considerations attending the preparation of his letter of presentation, and his account of his private conversation with Shvernik following the formal ceremony, see Kennan, *Memoirs, 1950–1963,* pages 119–121.

No. 499

811.61/5–2252: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State[1]

SECRET PRIORITY Moscow, May 22, 1952—noon.

1861. I wish to invite attention to scope and significance of present violent anti-American campaign being waged by Sov propaganda machine and to share with Dept certain considerations that occur to me in this connection.

1. In the fortnight since I arrived in Moscow, Sov internal propaganda outlets have been intensively employed, as Dept is aware, in an anti-Amer campaign of extreme violence, centering around bacteriological warfare and prisoners of war issues. The quantitative figures on space and time given to the subjects are impressive enough. We estimate that on an average well over half entire foreign news sections of major papers have been devoted to these subjects, not to mention domestic radio programs and other outlets. But mere statistics on volume give no adequate idea of violence of

[1]Copies of this telegram were transmitted by Deputy Under Secretary Matthews to Secretary of Defense Lovett, Joint Chiefs of Staff Chairman Bradley, and CIA Director Smith on May 22.

this effort. I have had many years of direct exposure to Sov propaganda, and for nearly three years during the recent war was obliged to observe at first-hand workings of the Nazi propaganda machine at the peak of its offensiveness, but I must say that I have never seen anything to equal in viciousness, shamelessness, mendacity and intensity what is now being done in this country to arouse hatred, revulsion and indignation with regard to Americans in general and our armed forces in particular.

As Dept knows, campaign began nearly two months before my arrival. (Embtel 1475, March 15 and others[2]) Prior to middle of April the accent was almost exclusively on the bacteriological warfare issue. To my mind it is significant though not to be over-rated, that propaganda action on this issue went into high gear immediately after the acute Sov reaction to revival of the Katyn issue.[3] With the virtual breakdown of Korean armistice negots on prisoners of war issue, and with what must have been for Commies the almost incredible success of the provocations carried out in Kojedo prisoner of war camp,[4] the issue of atrocities against POW's was eagerly added, and woven in with, existing bacteriological warfare propaganda.

Although there has never been a time since the revolution when Sov propaganda failed to distort Amer realities, I do not recall any propaganda line in the past so clearly calculated as this one to stir

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[2]Telegram 1475 reported that there was reason to believe that bacteriological warfare charges, which had received full attention in the Soviet press and in subsequent Moscow mass meetings of protest, were convincing to a considerable portion of the Soviet population. It suggested that a VOA effort to counter the germ warfare charges should be a matter of prime concern because the campaign in the USSR was a major one. (Microfilm telegram files, Moscow, FY 53)

[3]On Sept. 18, 1951, the House of Representatives adopted a resolution establishing a select committee to conduct a full and complete investigation of the deaths of as many as 15,000 Polish army officers and other leaders in the Katyn Forest near Smolensk in the Soviet Union in the spring of 1940. Between October 1951 and early June 1952, the Select Committee to Conduct an Investigation and Study of the Facts, Evidence, and Circumstances of the Katyn Forest Massacre took testimony in the United States and Europe from 81 witnesses and examined hundreds of depositions and exhibits. In its findings the Committee concluded unanimously that "the Soviet People's Commissariat of Internal Affairs committed the mass murders of the Polish officers and intellectual leaders in the Katyn Forest near Smolensk, Russia." The committee also recommended the establishment of an international tribunal to investigate mass executions wherever they might occur. The committee observed similarities between the fate of Polish officers at Katyn and the possible fate of U.N. soldiers captured in Korea. The account of the committee's hearings as set forth in seven volumes and the Interim Report of the committee (Report of July 2, 1952; H. Rept. No. 2430, 82d Cong., 2d sess.) which contained the findings and conclusions of the inquiry, were transmitted to the U.N. Secretary-General on Feb. 10, 1953, by the U.S. Representative; for text of the note transmitting the documents, see *American Foreign Policy: Basic Documents, 1950–1955*, pp. 2143–2144.

[4]For documentation on the disturbances occurring at U.N. prisoner of war camps in Korea, see vol. xv, Part 1, pp. 449 ff.

up hatred and fear of Amers generally. Lip service is still paid to social distinctions by vigorous attention to the iniquities of Wall Street; but emphasis of this campaign is plainly on Amer armed forces, with implication that they represent the habits and proclivities of Amer people at large; and reckless violence of the slander directed against them can best be realized if it be considered that it is probably no less in intensity and offensiveness than that directed against Ger army at peak of recent war.

While Sov propagandists in many of their past campaigns have shown caution by putting the more violent items in other mouths, quoting from theoretically irresponsible press sources, and avoiding direct statements by authoritative Sov organs, in present instance these restraints seem to have been dropped. *Izvestiya* ran a front-page editorial yesterday morning flatly accusing the Amer command of "mass destruction of innocent women, old people and children" of "utilizing the most fantastic and revolting means for achieving their criminal purposes," of torturing prisoners of war with red hot irons, hanging them upside down, pouring water into their noses, forcibly tattooing them, forcing them to sign treasonable statements in blood, etc. There is, I reiterate, no attempt in any way to soften or disguise responsibility for these charges which are made editorially by a paper the stated publisher of which is the Presidium of the Supreme Sov of the USSR. To this we must add Malik's savage statements in the UN, plus such things as Konev's insults in his speech in Praha on Victory Day. I think it important to note that before launching this campaign Sov Govt made no attempt to discuss with us matters at issue or to develop true facts.

2. So much for the picture. What does it mean? It is not hard to find reasons why the Sov leaders, being what they are, conduct anti-Amer propaganda. But we must distinguish between routine motives which are generally operative and the special considerations which lead them to undertake a campaign of this violence and ruthlessness at this particular time. Major Sov moves rarely stem from a single motive. They are rather apt to be result of the coincidental focus of a number of considerations on a given action at a given time. In the present instance it is not hard to see what some of these motives might be. The Katyn massacre is evidently a point of pathological sensitivity in Moscow, so much so that one suspects it must involve embarrassments of an extremely delicate domestic political nature. Revival of this issue by a Congressional committee in our country this winter plainly stung the Kremlin where it hurt. It is standard Commie tactics when in danger of being exposed in one's own misdoings to go over to the attack with great violence and confuse the issue by deluging the opponent with every possible sort of counter-charge and accusation, and this

would be a normal reaction to revival of Katyn. Again the grotesque success of the provocation on Kojedo must have aroused in the Sov mind eager hopes of persuading large masses of people here and abroad, particularly in Asiatic countries, that our military authorities had really been guilty of inflicting a regime of terror and intimidation on helpless prisoners, and thus of dealing an important blow to Amer prestige generally.

Furthermore, although dipls residing here in the thirties and early forties wld have been reluctant to believe that there was room for any marked deterioration in atmosphere of Sov-Amer relations, it must be acknowledged that room did exist and such deterioration has now taken place. In contrast to robust but relatively good-humored attitude of ideological and political competition which seemed to mark Sov postures in those days, I sometimes think now sense a deep and burning embitterment of which we Amers are the main objects. Altho Sov leaders are not normally given to emotion, I cannot rule out possibility that such things as Grew diary[5] and other developments capable of giving personal offense or alarm have had a greater effect than we realized, and that we have succeeded in touching deep sources of genuine fury and resentment in people whose pathological habits of mind render them only too quick to suspicion and false conclusions of every kind, and whose system of govt makes them vulnerable to any degree of malicious distortion of information by underlings.

Yet even these reflections do not to my mind constitute adequate explanation for what is here in progress. The prodding about Katyn wld normally have led to an angry spluttering of countercharges but hardly anything of this duration and intensity. Hopes for a good propaganda effect in Asia by capitalizing on the mass destruction weapon issue and on our misfortunes with the POWs would justify a steady and vigorous pounding of the drums such as we have seen on many occasions, but nothing of this suddenness and violence. In addition to this we have puzzling fact that campaign is being waged with great intensity internally among the Sov population as well as abroad. Finally, as far as personal bitterness and emotion are concerned, it wld not be in character for the Sov leaders to let such feelings drastically affect their action in propaganda field unless they had in mind some specific program of retribution to which the propaganda was subsidiary.

For all these reasons, I think there must be some special motives here involved which we here cannot see as of this moment and which go beyond the normal springs of Soviet propaganda and be-

[5]Reference is presumably to Joseph C. Grew, *Turbulent Era: A Diplomatic Record of Forty Years, 1904–1945*, in two volumes (Boston: Houghton Mifflin Co., 1952).

havior. This is view of all senior officers of this mission and of all dipl colleagues with whom I have spoken thus far. I wld not like to speculate at this time on what their motive cld be. But likelihood of their existence seems to mean that we shld observe utmost caution and vigilance and shld submit manifestations of Sov policy to most searching and concentrated analysis in the coming period.

3. Finally, the question as to how we handle existing manifestations;

First, altho I have no doubt that much attention and effort have been given to this, I wld plead that we re-examine all aspects of our governmental behavior and see whether we cannot contrive to present fewer openings and possibilities to the Sov propaganda machine just at this time. So long as we do not make clearer than we have to date our general disapproval of the use of all mass destruction and inhuman weapons, this gap in our armour is going to be exploited by Commie propagandists. I know military experts will point out that all these questions are ones of degree, that necessity compels us to perfect these weapons, that others are doing the same, that many of the weapons have legitimate milit uses, etc. This is not what I am talking about. There is a plane of reality and a plane of propaganda. The two have little connection; and as long as we permit literal and practical reflections about weapons to prevent us from assuming a clear external posture of abhorrence of mass destruction weapons and of determination not use them unless they are used against us, we are going to continue to be vulnerable propagandistically on this point.

Beyond this general consideration there must be things we can do in detail and in point of timing to decrease the number of opportunities we give to the Sovs. Alleged recent public statements by Gen Bullene about our progress in chemical warfare have been gleefully seized on here, and it is hard for us to believe that a better time cld not have been found for such statements. Unless we wish to play into the hands of Sov propagandists I feel we shld be extremely careful in official public statements generally about our progress in development of chemical and bacteriological weapons, and should invariably couple such statements with disclaimers of desire to bring suffering to helpless people. The same applies to statements about our milit purpose being "to kill" as many of our adversaries as possible, about our units being efficient "killing" machines, etc. Aside from fact that our primary milit purpose is surely to cause our adversaries to submit rather than to kill them for the sake of killing, mere use of such words plays directly into the hands of Commie propaganda machine and will continue to be ably exploited by them. With regard to bacteriological warfare, our general statements have been excellent, but we here have not seen

point-by-point refutations of statements allegedly made by captive US fliers or of other detailed fabricated evidence which has made considerable impression on many people here and presumably elsewhere. As for POW issue, provocation is lesson number one in the primer of Commie strategy, and as long as Commie factions within these camps are permitted to intrigue, agitate and disturb, and word of these happenings continues to reach outside world, we must expect Commie propaganda machine to make extremely effective use of this issue.

It wld seem to me that only most vigorous discipline, segregation of trouble makers, and isolation of camps generally cld prevent our being taken advantage of in this way.

4. This leaves us with the question of our direct governmental reaction to this Sov propaganda effort. We have all become accustomed to the excesses of Sov propaganda machine and to extensive violations of normal courtesy and good form by Sov authorities. The question at issue here is whether there is any point beyond which we wld not be prepared to let this sort of thing proceed without protest, and if so where that point lies.

It is my feeling that differences of degree are important here as everywhere, and that we shld not permit Commie leaders to conclude that there are no limits on extent to which they may go in abusing our country, spreading falsehoods about us, slandering our armed forces, and creating hatred of us here and abroad, without reaction on our part. We must remember that the charge of bacteriological warfare is of itself an extremely serious one for them to raise in any manner, to say nothing of making it subject of a propaganda campaign of unprecedented scope and nastiness. Whether we shld or can afford to ignore this is a real question. There is a certain question of dignity involved in residing and going through the motions of representation in a capital where your people, your armed forces, and in effect your flag are being subjected daily to a deliberate effort of vilification and degradation by the local govt on a scale hardly excelled in human history. I realize that it has generally been the policy of our govt that our representatives behind the iron curtain shld treat this sort of thing with deaf ears and bland indifference, and as far as our personal situations are concerned, we can do this. But we must realize that we are now up against about the worst the boys can produce in the propaganda field; and I think we must be careful, precisely in this semi-oriental country, not to permit our presence and silence to be exploited as an exhibit to others of our weakness, our lack of pride and dignity, and our helplessness in face of insult.

However, implications of this present campaign go far beyond the mere position of a mission in this city and shld be judged ac-

cordingly. I do not see how Sov Govt can deny responsibility for editorial articles in *Izvestiya* and it is difficult to think of allegations more offensive than those which have now been raised without scruple or inhibition in this sheet. There can be no question but that, measured against anything approaching normal standards, these charges wld be considered gravely offensive, as wld some of the recent statements made by leading Sov figures.

For the moment I can only recommend these reflections for Dept's consideration. If campaign does not begin to wane at early date, I may wish to recommend sharp public statement to Sov Govt, for terms of which I wld submit suggestions at appropriate time.

KENNAN

No. 500

611.61/5-2252: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State[1]

SECRET NIACT Moscow, May 22, 1952—noon.

1862. Eyes only Secretary distribution S/S only. My 1861, May 22[2] which went forward today, was designed to bear normal distribution within govt with attendant risk of leaks. For info of yourself and top officials Dept I wish to add following:

In view situation described in message under reference I propose to seek private and confidential interview with Vyshinsky at which I would orally and informally describe situation as outlined in early part this message; remind him my govt attaches importance to my mission here and is awaiting with interest my first comments and views on Soviet American relations; and endeavor to impress upon him that this business cannot, if continued, be allowed read off as just another routine propaganda blast but will have to be signalled to Washington as a new and important departure in Soviet policy, a departure of serious and menacing importance, of which we should have to take most careful account in shaping of our own policy. This is not an exaggeration of my view, for the implications of a continuance of this campaign appear to me both drastic and ugly, and I am frank to say that such continuance wld force me to conclusions I have heretofore been reluctant to accept.

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[1] Copies were transmitted by Matthews to Lovett, Bradley, and Smith on May 22.
[2] *Supra.*

Vyshinsky is not likely to give me any satisfactory answer, and the payoff will be visible only from the propaganda output in ensuing days. If there is no change, and campaign continues undiminished, I wld propose to approach Department again, not referring to this present message, and suggest text of formal communication to be addressed to Soviet Govt and made public. This would be a protest note, pointing out unprecedented violence of campaign and disturbing conclusions which must be drawn from it and fixing responsibility on Soviet Govt for deliberate poisoning of international atmosphere.

I feel, for several reasons, that I should ask for this appointment with Vyshinsky during present week. Unless I hear to contrary from Department, therefore, I shall put in request before close of business Friday. Would much welcome any views or suggestions Department may have.

KENNAN

No. 501

611.61/5-2252: Telegram

The Secretary of State to the Embassy in the Soviet Union[1]

TOP SECRET
PRIORITY

WASHINGTON, May 22, 1952—8:09 p. m.

815. For the Amb. We agree desirability ur seeing Vyshinsky as proposed urtels 1861 and 1862 May 22.[2] We presume that you have considered advisability postponing approach to early next week in view possibility misinterpretation or Sov exploitation of mtg this weekend so close in advance scheduled signature ceremonies in Eur.[3] However we will leave timing to your discretion.

We presume you do not intend use exact language contained ur 1861 with Vyshinsky. We feel important avoid giving him impression that we wld be committed to any action by developments which are subject of ur *démarche* or by fact of ur representations. Obviously we wld avoid implications of any threat or ultimatum which could be exploited.

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[1]Drafted by Barbour (EUR/EE); cleared in substance with Secretary Acheson, Matthews (G), Bohlen (C), and Bonbright (EUR); and signed by Barbour for the Secretary. Copies were transmitted by Matthews to Lovett, Bradley, and Smith on May 23.

[2]Telegram 1862, *supra;* telegram 1861 is Document 499.

[3]Reference is presumably to formal signature ceremonies in Bonn on May 26 by the Foreign Ministers of the United States, the United Kingdom, and France and the Chancellor of the Federal Republic of Germany of the Contractual Agreements with the Federal Republic. See vol. VII, Part 1, pp. 109 ff.

Pls report niact paraphrase substance conversation. If press reports fact ur mtg we will say visit first substantive talk with Vyshinsky since presentation ur credentials and conversation in line purposes you expressed in statement to Shvernik.[4]

ACHESON

[4]See Document 498.

No. 502

611.61/5-2452: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

SECRET PRIORITY Moscow, May 24, 1952—2 p. m.

1872. Kentel. No distribution, eyes only S/S. ReDeptel 815, May 22.[1] I had not realized when I sent my 1862[2] that signature of contractuals was so close upon us. In general I had hoped to call on Vyshinsky at least two or three times a month, whether or not I had instructions, in order that I could be in a position to say that I was in regular contact with him and that no single visit would be interpreted as "news". I would have liked to have made first of these visits at this time and to have spoken to him along lines outlined in my telegram under reference. But in view of delicate situation in connection with German position, I shall hold off for the moment and not ask for appointment until it is clearer when signing of contractuals will take place and when Soviet reaction may be expected. I have worked out a line to take with Vyshinsky on first suitable occasion which I think fully meets points raised in ref tel and will use it when and if such occasion presents itself.[3]

KENNAN

[1]*Supra.*

[2]Document 500.

[3]In telegram 1905, May 30, Kennan further defined his attitude on a possible meeting with Vyshinsky. The telegram reads:

"I have not wanted to ask for appointment with Vyshinsky these past days, partly because of German developments, partly because Brit Amb was asking for one and I did not want to confuse my purposes with his.

"I fear time has now passed for visit and statement to Vyshinsky along lines outlined my 1862. Whatever observations I might have made in role of shocked newcomer would now begin to have hollow ring, and in view present violence of anti-Amer campaign am inclined to feel it would not be dignified to speak to Sov authorities unless initiative came from them or I had something specific to communicate." (611.61/5-3052)

No. 503

611.61/5-2252: Telegram

The Acting Secretary of State to the Embassy in the Soviet Union[1]

TOP SECRET WASHINGTON, May 30, 1952—10:47 a. m.

829. Points raised in ur 1861 May 20 [*22*][2] receiving most careful consideration in Dept. We have for some time been exploring various courses of action re BW campaign which wld help meet needs of situation and perhaps in some degree serve purpose of public statement suggested last para urtel. One approach which we think has some promise wld be to counter Commie charges BW in Kor through initiative in UN. This cld be done in SC, where we cld almost certainly force Sovs to veto res proposing impartial Comm of inquiry (possibly composed of India and Swed) to investigate charges with aid of scientists of internatl reputation and other experts, Comm to be granted freedom of movement in areas concerned. Fol expected veto, we may offer another res condemning Commies for blocking impartial investigations and undermining UN efforts maintain internatl peace and security by continuing spread false charges. Sovs wld undoubtedly veto second res as well.

Opportunity for such action will arise when Malik assumes SC presidency June and when first report Disarmament Comm comes before SC. As you know, in Disarmament Comm Malik has made long speeches on BW question. If as we expect, Malik repeats Commie charges in SC when it considers Disarmament Comm Report, we cld counter these charges by introducing separate agenda item leading to formulation above res.

Alternative possibility wld be to take initiative in advance SC debate on Disarmament Comm Report, submitting our proposal for SC inquiry without delay.

Decision on foregoing wld depend *inter alia* on fol factors:

(1) Is Commie campaign tapering off and will our initiative serve revive it? Our estimate is that campaign will not die down and on contrary may increase in intensity in June. Sov veto wld therefore be helpful to us from propaganda standpoint.

(2) Are we prepared face SC debate which might range over all aspects of Korean problem and perhaps other Far Eastern issues as well? We must assume Malik will attempt broaden discussion this way, bringing in PW issue, withdrawal of troops, charges of atroc-

[1]Drafted by David H. Popper and Eric Stein (UNA/UNP) and cleared by Ward P. Allen (EUR), Barbour (EUR/EE), Matthews (G), John M. Allison (FE), Nitze (S/P), and Howland H. Sargent (P). Matthews signed for the Acting Secretary of State.

[2]Document 499.

ities, continuation of armis negots, etc. We do not believe we wld find such a discussion unduly harmful at present.

(3) Wld our friends in SC and other states with forces in Kor support an initiative of this kind? Answer to this question wld have to be obtained by consultation. We are informally consulting British here.

Before making decision on foregoing, we wld appreciate ur urgent comment.

BRUCE

No. 504

761.00/5-3052: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

SECRET PRIORITY Moscow, May 30, 1952—8 p. m.

1906. Department has by now received detailed accounts of Soviet releases on hate-America meeting held last night in Hall of Columns, most solemn of Sov settings for public events, only one block from Embassy. At this meeting anti-American campaign reached a new crescendo. Its tenor and violence can be judged from my 1902 May 30,[1] and require no further comment from me. This meeting will presumably be followed by corresponding meetings in communities thruout Sov Un, which means that we are in for some days and weeks more, at minimum, of this intense abuse.

This raises again the question of whether, and if so how, our govt should react to this development. I have reviewed this situation again today with senior officers of the Emb and in looking at it we have tried to leave aside the personal feelings with which no American can fail to be affected who has to live under immediate impact of this incredible torrent of abuse and falsehood. Even then, I cannot be sure that our opinions are wholly unaffected by this experience.

We are aware that there is probably strong element of provocation in this campaign and that it is vitally important for our govt at this stage to remain utterly calm and not play in any way into hands of people who would love to provoke us into an angry or defensive posture. There is much to be said for thesis that it would be best to ignore situation in belief that these acts will operate to condemn their authors more strongly than their objects. However, campaign is surely beginning to have real effect and this revelation

[1] Not printed.

of the incredible lengths to which the Kremlin is prepared to go in poisoning minds of Sov populations is an important factor, new in degree if not in character, which I feel we will have to weigh carefully in all our calculations about the Sov Un. This being the case, it seems to me we must say something to indicate this, if our policy is to be wholly understandable to other people. In whatever we say it is important that we manage to elevate both the tone of our utterance and the platform of its delivery to a plane which will wholly distinguish if from what is being said on other side, also that we allow it to appear not in nature of an answer to Sov propagandists on charges they have raised, but rather as a reminder to the world of the significance this slanderous campaign must assume in the mind of any thoughtful person. My own preference, therefore, would be for a public statement to be made by the President on specially arranged occasion and surrounded with maximum solemnity, in order that it may carry as far as possible. Its force should not be diminished by too much interpretive fill-in at lower levels in our govt, but we should see to it that all mass media are well provided at time of statement with texts of Sov statements illustrating nature of campaign, which speaks for itself.

As for content, I have in mind something along following line:

"In past three months leaders and govt of Sov Un have seen fit to direct against people, armed forces and Govt of US a propaganda campaign of a violence, scurrilousness and shamelessness without precedent even among the numerous sorry examples that the world has had in recent years of deliberate and unscrupulous governmental propaganda. They have done this not only thru propaganda outlets for which they might attempt to disclaim formal responsibility, but also thru statements of prominent Sov figures and thru organs of press and radio for which their responsibility cannot possibly be denied. They have taken no steps to check truth of their charges before advancing them. On the contrary, they have advanced them in the full knowledge that they were false, misleading and unjust. Finally, they have chosen to do all this at a moment of great seriousness and delicacy in world affairs, altho they cannot but have been aware of the unfortunate affect their action would be bound to have on world situation.

The Govt of the US has taken most careful note of all these circumstances, and has not failed to draw from them the only conclusions of which they admit: namely, that the Sov leaders are not only contemptuous of the national feelings of the US people, but have taken a deliberate decision to do all in their power to create maximum confusion, hatred, and nervousness among Sov population and in world opinion generally at just this present time.

US Govt must leave it to peoples of world to imagine what reasons could bring men to such a decision in present state of world affairs. It will be evident to everyone that whatever these reasons are, they could not possibly be ones compatible with any real con-

cern for world peace or with any desire to improve the international situation generally.

For its own part, the US Govt cannot ignore the significance of these actions on the part of the Sov leaders. On the other hand, it will not permit itself to be provoked by feeling of irritation or disgust into departing one jot from the path it has been successfully following in its resolve to see that peace is preserved and that the free world remains free."

If a public statement should be made, a copy of it should be officially communicated in some manner or other to Sov Govt, possibly thru Sov Amb Washington, with appropriate oral comments.

We feel that in view of high level Sov propaganda which will presumably follow this Moscow mass meeting any statement by us should be made promptly if it is to strike while iron is hot. Therefore, unless step could be promptly taken, this recommendation would lose its validity.[2]

KENNAN

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[2]In telegram 1909 from Moscow, May 31, Ambassador Kennan observed that Department telegram 829, May 30, had been partially answered by the message printed here. Telegram 1909 continued as follows:

"Our initiative unlikely increase intensity and extent new version 'hate-America' campaign which would seem to have achieved unsurpassed heights virulence. It would be difficult to imagine campaign being stepped up further unless Politburo or some of its members should join in personally giving it authority their voices which thus far they have not done (except by their uncomplaining presence at Marshal Govorov' May Day tirade). Our estimate is that campaign will continue much along lines March BW campaign for at least a couple of weeks. This morning's press, as expected, reports meetings Leningrad, Minsk yesterday. This follows BW campaign pattern. Mass mtgs will probably spread throughout country and be duly reported in central press. If BW routine followed, USSR mass mtgs will provide starting point for spate of articles in all types of journals with radio repeats and probably extension mass mtgs to satellites with consequent reporting here.

"I do not see any incompatibility between suggestion made my reftel and that of Dept reftel. This, it would seem, would not in any way be detrimental Security Council approach." (611.61/5-3152)

No. 505

611.61/6–552: Telegram

The Secretary of State to the Embassy in the Soviet Union[1]

TOP SECRET WASHINGTON, June 5, 1952—6:13 p. m.

846. Re Embtel 1906.[2] We have been deeply impressed by ur series tels re present intensity Sov propaganda attacks on US. Ur suggestion of Presidential statement on subj has been given careful consideration with full realization weight ur opinion in matter.

However, as we see it, Sov campaign among other things designed (1) by maximum provocativeness to intimidate Free World opinion through general increase in tensions and war of nerves at this particular time, and (2) by singling out US as target to separate US from its Free World Allies and polarize issues toward bilateral US-USSR conflict. If such is case, special statement at Presidential level might play into Sov hands by (1) increasing apprehensions in certain quarters of opinion where fear already exists of excessive US combativeness and (2) tending to accept and accentuate, by its unilateral nature, Sov contention that lines are drawn directly between Moscow and Wash.

In circumstances, on balance, we are inclined to prefer action in UN along line Deptel 829[3] on which now awaiting reaction UK before exploring with other friendly SC members. As you indicate final para ur 1909[4] this wld not be incompatible ur suggestion and wld not preclude later Presidential statement if that course shld subsequently appear desirable.[5]

ACHESON

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[1]Drafted by Barbour and Henry (EUR/EE) and cleared by Bohlen (C), Matthews (G), Nitze (S/P), Hickerson (UNA), Jessup (S/A), and Phillips (P). Secretary Acheson signed the telegram.

[2]*Supra.*

[3]Document 503.

[4]See footnote 2, *supra.*

[5]In telegram 1971, June 9, Ambassador Kennan observed: "Fully appreciate force of considerations invoked in Dept's 846 re possible US statement about Sov propaganda campaign and gladly concede best course may be to remain silent." (611.61/6–952)

No. 506

Secretary's Memoranda, lot 53 D 444

Memorandum of Conversation, by the Secretary of State

TOP SECRET [WASHINGTON,] June 6, 1952.

Subject: Visit of Soviet Ambassador Panyushkin

Participants: The Secretary
Mr. Alexander S. Panyushkin, Soviet Ambassador
Mr. Walworth Barbour, Office of Eastern European Affairs
Mr. Alexander Logofet, TC
Mr. Anatoli G. Myshkov, Soviet interpreter

Ambassador Panyushkin called, by appointment made at his request, at 12:30 p. m., June 6. He stated that he is being recalled to take up another assignment and in leaving Washington wished to pay his farewell courtesy visit.[1] I expressed my appreciation for his call and wished him well in his future appointments. I added that the President had just given his agreement to the appointment of Mr. Zarubin, the Ambassador's successor, and that Ambassador Kennan in Moscow was being instructed appropriately to notify the Soviet Foreign Office.[2] I inquired whether the Ambassador intended to inform the press that he was departing permanently or merely on leave. He thanked me for the expeditious action on Mr. Zarubin's agreement and suggested that in the circumstances he should inform the press that his departure is permanent. I said that we would probably confirm Mr. Zarubin's appointment to the press shortly after Ambassador Kennan had had time to notify the Soviet Government.

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[1]Soviet Deputy Foreign Minister Zorin called Ambassador Kennan to the Foreign Ministry on the afternoon of June 4 and informed him that Ambassador Panyushkin was being withdrawn as Soviet Ambassador and that the Soviet Government requested *agrément* for Georgiy Nikolayevich Zarubin, then Soviet Ambassador to the United Kingdom. (Telegram 1931 from Moscow, June 4; 601.6111/6–452)

[2]Ambassador Kennan was so informed in telegram 847, June 6. (601.6111/6–452).

At his news conference on June 13, President Truman was asked why the appointment of Zarubin had been accepted before it was clear whether he had been involved in the Katyn massacre of Polish officers. The President explained in reply as follows:

"It is customary, though, when a country asks the acceptance of any ambassador, he is accepted. There is never a question of any we send to them. It's a matter of courtesy. The country has a right to pick its own representatives. We don't pick them for them". (*Public Papers of the Presidents of the United States: Harry S. Truman, 1952*, p. 418)

I then said I had one further word.[3] While we desire that a friendly atmosphere prevail between our two countries, unfortunately the situation at present is not what we could wish. In particular, I would appreciate it if he would inform his government that we are deeply concerned at the virulence of the present anti-American campaign now being waged by the Soviet Government. The campaign is of such unprecedented violence as to indicate unusual significance and, while we are unaware of what lies behind it, its significance seems clearly to have serious implications. At any rate, it is inconsistent with the various Soviet statements to the effect that the Soviet Government desires to improve relations between our two countries. Rather it clearly has the effect which it appears designed to have of increasing tensions.

The Ambassador asked whether I could specify exactly what I had in mind. I noted the charges in the Soviet press and other propaganda media that the US is employing bacteriological and chemical warfare in Korea.

The Ambassador said he would inform his government but if I wished an expression of his views he could say that the Soviet press is a free press and confines itself to factual reporting; that various commissions had examined the charges under reference and that on its part the American press, as well as other Americans holding official positions, was equally critical of the Soviet Government. He expanded his remarks, mentioning especially the efforts in which certain Congressmen are engaged to place the blame for the "Hitlerite Katyn massacre" on the Soviets. He added, however, that it is the policy of the Soviet Government to foster friendly relations with the US and, with reference to some of my recent speeches, stated that the Soviet Government believes differences could be settled by negotiation.

I said that I would like to be able to accept his statement as to the attitude of the Soviet Government but that unfortunately I was unable to do so. I said, however, that I also favor the negotiation of issues but reiterated my request that the specific matter I had raised with him be brought to his government's attention together with my view that we could not but regard it as of serious significance.[4]

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[3]The points that follow were raised first at the Secretary's daily staff meeting on the morning of June 6 and were refined in a memorandum by Barbour (EUR/EE) for the Secretary. (611.61/6–652)

[4]A summary of the last paragraphs of this memorandum was transmitted to the Embassy in Moscow for Kennan in telegram 858, June 10. (611.61/6–1052)

No. 507

611.61/6-652

The Ambassador in the Soviet Union (Kennan) to the Deputy Under Secretary of State (Matthews)[1]

SECRET Moscow, June 6, 1952.

DEAR DOC: In my recent telegram about the present Soviet anti-American campaign (May 22)[2] I stated that I was not prepared to speculate at that time on the special motives that might have given rise to the peculiar violence and timing of this recent manifestation of Soviet policy. Since sending that telegram I have naturally continued to give the subject study and thought. While I do not yet feel in a position to put down in telegraphic form any conclusions for general distribution in the Government, I thought it might be useful for yourself and others in the Department if I were to try to review for you in this letter the present stage of my own thoughts about this matter.

Please bear in mind that in what I am about to say I am not dealing with those well-known and routine impulses which have caused the Soviet Communists as a matter of general policy to distort and degrade the image of America before the eyes of their own people over the entire thirty-five years of their exercise of power. What I am speaking of here is specifically the present campaign, and I am trying to get at the reasons for its extraordinary violence and its timing.

I might also stress, by way of preface, that it is no easy thing to take this outrageous and provocative propaganda material, permeated as it is with the smell of a vicious and shameless mentality, and subject it to a calm and dispassionate analysis. In doing so, I feel as I think the medical scientist must feel when setting out to examine some of the less savory manifestations of illness in the human body: it is unpleasant, but the interests of scientific truth

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[1] In a letter of June 7 to Matthews, Kennan suggested that distribution of this letter be limited to the following: Acheson, Bruce, Bohlen, Nitze, the Office of Eastern European Affairs, and Smith. Kennan was concerned about the security of this letter and observed: "I would not be worried about accurate leaks from it, but inaccurate ones could do a great deal of harm." (611.61/6-752)

In a letter of July 1, Matthews briefly responded to the letter printed here. The operative portion of Matthew's letter reads:

"I want to write briefly to acknowledge belatedly the receipt of your extremely interesting letter of June 6 regarding the Soviet anti-American campaign. I followed your request with regard to its distribution quite literally and have confined it pretty much to those listed in your letter of June 7, with the addition of Jimmy Dunn and two or three others in the Department. Chip is, I believe, working up some comments on the substance of the letter." (611.61/6-652)

[2] Document 499.

demand it. I can only hope that I have been able to put revulsion and indignation far enough aside, and to have arrived at something like a detached judgment.

Of the various hypotheses that have been advanced among foreign observers here with respect to the motivation of this campaign, the following seem to me to be the ones that warrant our most careful attention:

(1) That the Kremlin considers that the general state of popular morale throughout the Communist-controlled area, as marked by such things as the attitudes of the Communist war prisoners in Korea, the continued defections of individuals in the satellite area, the difficulty of raising reliable military forces in Eastern Germany, and the general apathy of the Soviet population itself toward international problems, is simply not adequate for the strains of the situation in which Soviet policy is now proceeding, and has concluded that something drastic must be done to stir people up to a greater enthusiasm for the severe tensions which this policy involves.

(2) That the Kremlin foresees some more severe test of political morale in the Soviet and satellite areas looming up in the near future, and is setting about to steel the population for these anticipated eventualities, whatever they may be.

(3) That there has been some internal disagreement in influential circles here over problems of policy toward the United States and that the violence of this present campaign represents the characteristically crude and ruthless expression of the victory of one group over another; and

(4) That the campaign stands in some connection with my appointment and arrival here, and with the possibility that a time might be approaching when confidential discussions between our two governments on what would be considered here the "real" plane, as opposed to the plane of propaganda exchanges aimed at the grandstand, would be in order, or would at least be suggested by our side.

Before commenting on these hypotheses individually, let me point out that they are not in any sense mutually exclusive. More than one of them might actually have some reality.

I.

With respect to the first of these hypotheses, namely that there is a generally unsatisfactory state of popular morale in this country and in the Communist areas and that the campaign is designed to combat this situation, I can only say that I think there is much evidence which points in this direction. The Soviet leaders can obviously not be really satisfied with the state of political morale at the present time in any of the satellite areas or in the Soviet Union. This situation in the satellite areas requires no comment. But even in the Soviet Union itself there is evidence of a continu-

ation of the widespread political apathy and skepticism that have marked the state of mind of the predominant part of the Soviet public ever since the purges (except at that time when national feelings were touched by the German invasion and the subsequent elation of victory). The continued prevalence of this state of mind cannot be agreeable to the Kremlin.

It is interesting to note that the domestic anti-American propaganda, to judge by its content, is not aimed in any sense at influential and responsible party circles. Marxist concepts, or even thoughts remotely connected with Marxist theory, seem to have only the most unimportant and peripheral place in this campaign. The emphasis has been on stirring up a sheet physical loathing of Americans per se, as people, and above all as soldiers. *Pravda,* possibly itself somewhat shocked at the realization of the ideological emptiness that has characterized the campaign, ran an editorial on June 4 the purpose of which was evidently to instill into it a more pronounced ideological tinge; but even this was not very impressive. The campaign, *Pravda* cautioned, is really against American ideology—by implication, therefore, not against America as a nation. The American ideology, it seems, now consists of Fascist racial prejudice (racism), the cult of brute force, and the hatred of other peoples. It represents, *Pravda* explains, weakness and loss of faith on the part of the American imperialists in themselves and in the capitalist system. Such an ideology, we are allowed to infer, calls for an ideological response. But the response which *Pravda* continues to try to evoke on the part of the Soviet citizen, and this is the point I wish to emphasize, is not an ideological one—it is not one of serene and contemptuous contemplation of the inevitable evil workings of capitalism as seen from the infallible vantage point of a proper Marxist understanding of the laws of human society—it is rather, to use *Pravda's* own words, one of "hatred", "resistance" and "enraged protest". Plainly what *Pravda* has in mind here is mass feeling. The campaign is not addressed to the views of responsible and sophisticated party circles.

It is true that in this campaign particular use is made of those media that reach the Soviet intelligentsia. This may be partly simply to convert people not yet converted and thought to be in particular need of conversion; but it may also be to invoke the authority of these circles to support a thesis aimed at a wider audience. There is evidence of severe pressure being brought to bear on the artistic and literary community to join in the campaign and to lend it the support of their voices—the theory apparently being that if gentle and sophisticated people of this sort can also be made to appear full of flaming indignation, ordinary folk will conclude that "there must be something in it". I would not wish to imply

that there is not a serious concern for the state of mind of the cultural and intellectual figures themselves, per se: I am sure there is. But underlying it is always an appreciation of the high respect in which the cultural circles are held by the broader Soviet public, and a recognition that greater effect can often be produced these days on the popular mind here by the relatively subtle impulses of propaganda masked as art and literature than by the flat appeals of governmental propaganda, to which so many people have become inured and indifferent. The marked attention now paid to the cultural world by the Kremlin propagandists may well be a tribute to the degree of influence this world has come to enjoy, as the more direct means of reaching and twisting public understanding have gradually been abused, and their own possibilities destroyed, by the professional propagandists.

All in all, I think we can say that there is underlying all the cacophony of this hate campaign, a note of real concern over the apathy, and sometimes latent disaffection, of large masses of people in the Communist world—not a concern connected with any fears of revolt or civil disobedience (overt obedience is no problem), but a concern lest the existence of this state of affairs be progressively exposed by events in the cold war, as it already has been in Korea, and come to affect the minds of people and the course of events further afield. The future of Asia, in particular, surely depends in the Kremlin's view—on those who are now the waverers in the Asiatic countries not yet committed; and for Moscow it is vitally important that these latter not be astonished and estranged, and a band wagon movement set off, by signs of apathy or disaffection on the part of the peoples within the Communist orbit.

I think, therefore, that we cannot wholly reject this first hypothesis. We must, on the contrary, recognize that it certainly plays *some* part in the general pattern of Soviet motivation today. The question is only: what part? And is it the only motive?

I would doubt that it can be the *only* motive. This unsatisfactory state of morale has existed in the Communist area for several years. If the Kremlin were sure that the strains of the immediate future were not going to be greater than those of the immediate past, a campaign of this violence would hardly have been justified at the present time.

II.

This brings us to the second point: Are the Soviet leaders looking forward to something they expect to see happen in the near future which will put greater strains on popular morale in the Communist world than the events of the last two or three years? This hypothesis, plainly the most ominous of them all, is the one probably most

widely entertained among foreign observers, and it demands respectful and minute scrutiny.

We must begin, I think, by recognizing that there is no indication here that the Soviet leaders are planning to launch a major war by an overt offensive action of their own in the near future, or that they really think the outbreak of such a war might be imminent from other causes. Let me elucidate: they may feel that our policies tend inevitably toward war, and may therefore regard war as inevitable unless our "contradictions" catch up with us and weaken us in good time; but that is different from regarding war as *imminent*. It is true that if they thought war imminent, one of the things they might well do would be to launch a campaign of just this nature, for obvious reasons. However, this is by no means the only thing they would do. There are a number of other steps they might be expected also to take in such a contingency. Of these other steps we here have seen no evidence; and I think it unlikely, despite our isolation in Moscow, that all these steps could be taken without our receiving any inkling of them. And even in the field of psychological preparation this sort of hate campaign, useful as its effects might be from the standpoint of the regime, would hardly alone be enough to condition the population for immense changes in government policy and in the condition of their lives that another war would involve.

On the other hand, we cannot ignore the disturbing fact that the most obvious purpose of such a campaign—the one which might normally be supposed to underlie an effort of this sort—would be to instill into the minds of the Soviet and satellite peoples a degree of hatred and resentment for the United States which would be capable, so to speak, of bearing weight. And what could this "weight" be? Presumably, some sort of demands on the part of the regime for loyal support in a course which might otherwise be expected to appear to people as drastic, arbitrary, unwarranted, perhaps even excessively violent and cruel. Can we conceive of a future course answering to this description and still stopping short of war?

The pattern of Soviet intentions in Europe seems to me to be not too unclear. The trump cards of the Kremlin are: (1) use of the French Communist Party at any possible moment to disrupt unity and effectiveness of the Western coalition, and (2) eventual use of the East German Communist regime to break the Western position in Berlin, thus producing a German civil war à la Korea, in which the Atlantic Pact as well as West German forces could be exhausted and perhaps defeated while the direct military assets of the Soviet Union would be held in reserve. The Kremlin seems already, as a reaction to its failure to impede progress toward the German contractuals and EDC, to have raised the level of boldness and

recklessness with which it is willing to dispose over these European assets. But the French Communist card is one which, aside from the fact that it seems already to have been tried and failed, could hardly be expected to lead to war. The East German card, if it is not to be frivolously and prematurely sacrificed, will take some time to develop to a point where it can really be played to full effect. What could, of course, lead to war at an early date would be premature, abrupt and rash pressures against Berlin at the present time, involving direct Soviet responsibility. But Moscow surely knows this. If it expected to follow such a policy it would have to reckon with the immediacy of a major war involving its own forces—and, as indicated above, there is no broad pattern of evidence that it does. But if it does not expect to follow such a policy, why the steeling of the Soviet population through a hate campaign?

For these reasons, I find it difficult to believe that this propaganda campaign has been launched in particular contemplation of, and by way of preparation for, anything expected by the Kremlin to happen in Europe. It seems to me more likely that if it is pointed toward any specific expected development at all, it is one in the Asiatic area. The terms in which it is conducted seem to direct attention in this direction. But what could such a development be? Only, it would appear, some new phase of the Korean war, perhaps involving the use of new and unusually cruel tactics or devices on the Communist side, but still expected to produce consequences short of the emergence of a state of outright warfare between the Soviet Government and the United States.

I must say that I find it difficult to picture precisely what such a development could consist of—what it would look like. For this reason I am not satisfied with this second hypothesis. When one analyzes it to the end, one gets nowhere—unless one assumes that the Soviet leaders are really counting on an early outbreak of war and have successfully concealed from all of us the measures they would have to take to be ready for such a contingency. This, I think unlikely.

III.

The third hypothesis, namely that this campaign reflects the outcome of some policy struggle within the Kremlin, seems to me to be one that might conceivably account for its abruptness and violence. But there is simply no real evidence of anything of this sort. We have no grounds to believe that such differences and hesitations as might recently have existed within the Politburo with respect to policy toward the United States have been of such serious-

ness and intensity that the victory of one faction would be apt to be signalled to the country in this striking way.

All indications point to the likelihood that the central foreign policy question agitating the highest circles here in recent months has been that of the degree of stability of the Western coalition: the extent, that is, to which—in the absence of a major war—it may be expected that the strength of the non-Communist world will be sapped by internal factors such as rivalries and disagreement among its major components; colonial disaffection, economic strains resulting from excessive investment, and a possible major economic crisis in the United States springing from what Communists would consider the basic defects of the capitalist system. The indications are that to date such questions continue to be answered in the Kremlin in a generally hopeful vein. The prevailing view seems still to be that the visible or likely rifts in the capitalist world are indeed serious enough not only to assure eventual victory to the Communist camp, but to justify its leaders for the time being in continuing, and restricting themselves to, a policy of militant political attack, stopping just short of the initiation of provocation of a new general war.

Let me spell this out in a little greater detail, for it is a subject on which we cannot afford to risk any misunderstandings. I would not like to give the impression from what has just been said that the members of the Politburo have been able to trace out for themselves a clear and consistent line of thought and policy in this complicated problem of "war or no-war". Their own position today contains certain plain contradictions and dilemmas themselves. They appear (and perhaps wisely) not even to try to solve them. They allow them to emerge quite frankly in their ideological articles. On the one hand, they assert that capitalism is undergoing an internal crisis of final and mortal import from which, in the long run, it will not be able to recover through its own resources. True, they take pains to point out that this is not the same sort of crisis Marx talked about—not the same one that prevailed up to 1917—but a new phase characterized and made possible only by the development of Soviet power. This proviso is important to the Kremlin. Without it there would be no justification for the constant pressures maintained against the non-Communist world by the Stalinist political movement. Failure to insist on it would play into the hands of Titoist factions in other countries, who would say: "If the collapse of capitalism is inevitable from internal causes, then we do not require the authority and help of you Russians—either for its overthrow or its replacement". This proviso does not state that the helpful ministrations by Soviet power to the decline and death of capitalist power must always remain "short of war" or that the

Soviet armed forces should have no part in them. It admits the possibility of "wars of liberation" and of "defense against wars of aggression." It insists that the capitalists will eventually be compelled by the logic of their situation to try to resort to arms in order to wipe out Soviet power—the inner citadel of Socialism. But about the timing of all this and the order of precedence, Soviet thinking is blurred and undecided. Certainly the whole burden is not left, in the Soviet mind, to the Red Army. The factors mentioned above: the national differences within the non-Communist camp, the colonial problem, the strain of armaments, and the deeper economic instability, are all given most serious attention and are all allotted important roles in frustrating and defeating the "imperialist" design. But in what order?—and with what results? On this, Moscow is silent, and perhaps wisely so, from its own standpoint. It still allows for the possibility that the internal weaknesses may perform their task first and perform it so well that either there will be no attack on the Soviet Union or the attack, when it comes, will be a fizzle: the last ill-advised adventure—as they see it—of cornered, desperate men, hampered on every side by colonial and domestic disaffection, by disunity, by defects in their own system and by their fateful and significant failure (now heavily emphasized in Soviet thinking) to understand the way in which political action must be intermingled with military action if the latter is to produce effective results.

It is plainly on this question of timing—the question whether capitalism will try to launch its last desperate attack before or after it has been extensively weakened by internal causes—that the determination of Soviet policy today must rest. Obviously, up to the present day hope must have continued to exist in the Kremlin that capitalism would be extensively weakened by internal causes, supported by Soviet-inspired political attacks, *before* it could resort to general war, in which case its final effort might conceivably be absorbed and repulsed by Communist puppet forces alone.

This conclusion must have rested, and must continue to rest, on the most anxious study and analysis of the weaknesses within the non-Communist world.

On this particular subject—the assessment of the seriousness of the weaknesses in the camp of the adversary—I think it possible and even likely that there have been differing opinions at the Politburo level. These differences may even have found reflection in serious disagreements on actual questions of tactics and policy. But I see no evidence that such differences have reached the point where disagreements become identified with the political fortunes of prominent individuals; and it is only at this point that intellectual differences in the Kremlin assume the extremely savage and

bitter aspects that we have witnessed on certain occasions in the past. My feeling, therefore, is that while this present propaganda campaign is undoubtedly designed, partly if not wholly, to combat sentiments and states of mind *somewhere* which the Kremlin regards as disagreeable and dangerous, these sentiments and states of mind are not ones represented—so to speak—in the Politburo as such, or even in the more responsible Communist circles; they are ones having their residence in the minds of the intelligentsia and of the broad masses of the people in the Communist-controlled areas.

IV.

We come now to the last of these hypotheses, namely that this campaign might have something to do with my own appointment and arrival, with what they take to be the state of American thinking and policy today, and with the possibility (one which in this case would have to loom more prominent in the Soviet mind than it does in my own) of confidential talks looking toward the amicable adjustment of certain of the more dangerous of the issues on which the two governments are now divided.

I mention this with some hesitation, from my own standpoint as well as from the standpoint of the Department. In a conspiratorial atmosphere such as that which marks this city, and particularly when one is, one's self, the object of much attention at mysterious and anonymous hands, it is easy to overrate one's own importance in the general scene and to fall into the belief that the gentlemen in the Kremlin have nothing better to do than to pore over the reports their numerous agents obviously make and present about one's own life and movements. Nothing is more detrimental to clarity of thought than this, and I think I am experienced enough not to fall into this error.

But my appointment here may have had two connotations to the Soviet mind of a somewhat unusual order, both of which are worth noting. One lies in the fact that my name and personality are known to at least some of the prominent figures in the Soviet intellectual and artistic world, and probably known to them in a manner which would at least not tend to support the contention that Americans are without exception bloodthirsty and boorish creatures, lacking in good will, ignorant and contemptuous of Russian cultural values, obtuse to developments in the world of the Russian spirit. The second connotation is the suggestion that since I have served here before and know the language, and since I am relatively well-schooled—so to speak—in the dialectics of the Soviet-American antagonism, the United States Government might have had some thought that my appointment would facilitate

"real" discussions. The Soviet mind would not long delay in leaping from this to the assumption that the prospect of such talks might be imminent in our minds. And it is not out of the question that the Soviet leaders might themselves recognize the possibility that before very long they would find it to their own advantage to move, or to appear to move, in this direction.

You may ask: What in the world could such considerations have to do with the launching of this violent anti-American campaign? Surely, to the normal mind there could hardly be a less suitable way to react to the sort of connotation I have just suggested. But it would be making a mistake to attempt to carry out this analysis through the eyes of a normal individual. Let us remember that it has been the policy, and apparently sometimes the secret delight, of Stalin, before adopting a given course, to eliminate or force into an embarrassing position all those who might be suspected of having themselves favored such a course—all those who might be apt to claim credit for the new line or to seek in its final sponsorship by the regime a boon to their own self-esteem and prestige. It is always important, furthermore, for the Kremlin, when it seems to set out to make a concession (however insignificant or disingenuous this undertaking may be) that such a turn of policy should not appear to be the result of pressures brought to bear upon it from underneath. Specialists themselves in the art of bending foreign statesmen to their own will by building fires under them in the minds of their constituents, the Soviet leaders are abnormally sensitive to anything of this sort in their own camp.

It is not impossible that the Kremlin leaders might feel that if there were any chance that they would have need in the coming period to talk with an outward guise of reasonableness, and in a manner that could be construed as making concessions to the pressures we have brought upon them, they would want first to make it absolutely clear that they were not forced into such a position by any feelings within Russian society beneath them on which foreign statesmen could possibly play. This might have particular relation to myself if they felt that my personality and presence here tied in in any way with the neurotic uneasiness which besets a large number of Soviet artists and intellectuals in present circumstances in connection with their extreme isolation from the main cultural currents of the world.

If there is anything in this line of thought, the men in the Kremlin might then be saying two different things with this propaganda campaign. To the Soviet intelligentsia they might be saying: "We want no backtalk from you people at this stage of the game. Remember: you have no sympathies for America. You hate America. If any accommodation is to be sought with America, we leaders will

handle the matter, thank you; and we will handle it on the basis of our own authority, and against a background of violent indignation in Soviet society over American faults and iniquities. *We*, not you, will be the moderate one if we find it profitable to appear that way. And then we will be the *only* moderate ones. We will appear in the guise of one who takes upon himself, for the sake of peace, the onus of suppressing the righteous indignation of his own people over the outrageous behavior of his adversaries. We will be in the position of restraining Soviet public opinion, not of being restrained by it."

To me, on the other hand, as the symbol of that portion of the Western world which has not completely lost hope for a certain improvement and stabilization of relations between the two camps, they would be saying: "You come here to us making reasonable and disarming noises and letting on as though you thought that some day we might be able to talk to one another. Very well. We are not saying that we would totally exclude the possibility. But don't think you can push us into anything. Don't think that just because you speak Russian and have had a few friends here and are known as a person interested in Russian culture, you are going to have any special bargaining power in your dealings with us. Don't think that you are going to be able to play on the cosmopolitan weaknesses of our artists and writers—to break down the resentments and suspicions of America that we have been assiduously building up in their minds, and to put pressure on us in this way. This is no longer 1945, when we all played at the farce of a community of cultural values. See what these intellectuals are now being taught and what they are now saying. If you are going to deal with anyone here, it is going to be with us, their masters, and not with these neurotic intellectuals whom you may conceive of as still longing for the fleshpots and the sterile estheticism of Paris. *We* do all the dispensing of favors in this town. Whoever wants to talk business talks with us, and leaves our subordinates alone."

This may sound a bit farfetched, and I am not for a moment suggesting that the minor satisfaction our friends in the Kremlin might derive from conveying such an indirect message to me could alone be an adequate motive for laying on a campaign of these dimensions. But the Soviet mind gets a peculiar pleasure, I think, out of such neatly coincidental byproducts, and I think it not out of the question that in the present instance the effect of the campaign on myself, and in connection with my arrival here, might have been just such a byproduct. The same goes for whatever implications the campaign might carry to the Soviet cultural world at this particular moment. And all of this might combine to lead the Kremlin to feel that if there *were* any possibility that talking of a

definite and more "real" order were soon to occur, or to be proposed, it might not be a bad thing to have the atmosphere prepared, and clarity established in all quarters, by a vigorous campaign of this sort. Perhaps there is even the hope that we would be prepared to pay a price to have it stopped.

When you try to sum up these considerations, where do you come out? You find it plausible that the Kremlin may regard the immediate future as a period marked by a new and somewhat higher intensity of the cold war, involving a bolder and more reckless exploitation of puppet forces on their side. You find it plausible that for this reason and to guard against all eventualities, the Kremlin should wish to make a vigorous attack on the apathy and skepticism with which a large proportion of the populations under its control probably views the East-West conflict. You recognize the immense significance which the successful prosecution of the cold war in the immediately coming period assumes in Soviet thinking, as the only really solid alternative to a general war which the Western powers could be expected to instigate or wander into at a time and on terms dangerous and disagreeable to Soviet power. You can see how faulty morale within the Communist areas begins, as in the Korean prisoners of war matter, to interfere with the prosecution of the cold war by the Kremlin and to present dangers for its further course. Finally, you can see that the Kremlin might also recognize a possibility that developments in this coming period might make it desirable for it to enter into "real" talks with the West, or to play at doing so, and you can understand how this might warrant a certain battening down of the hatches in the form of a rousing anti-American campaign, designed to keep Soviet opinion steady through the buffeting that might be occasioned by such unusual developments, to prevent any undesirable misunderstandings from slipping in, to prevent people from going all-out in hopes for a relaxation of relations with foreign countries such as many of them entertained during the war, and to remind a new and somewhat inscrutable American Ambassador, in the event that he should need such a reminder, that if he is going to talk to anyone around here it is going to be to Papa—that the other members of the family know their places and are well in hand.

How much of this is real, I cannot vouchsafe. I dare say a good deal of it is. To the extent that it has reality, I would not find it too worrisome in itself. But it has its worrisome sides, which I think we cannot and should not ignore. The first of these is that it is probably doing some degree of serious and lasting damage to attitudes toward the United States within the Soviet public—attitudes which have heretofore been characterized by a touching and stubborn insistence of people on the privilege of thinking well of us.

But the second thing which I find really disturbing is that even under the most charitable and soothing interpretation of the reasons for this campaign, the mere fact of its having been instituted, taken in conjunction with the really deplorable deterioration in the treatment of the diplomatic corps and foreign colony in Moscow, bears witness to an attitude on the part of the Soviet leaders which I can only characterize as one of reckless contempt for whatever values and safeguards might conceivably still lie in the maintenance of the normal diplomatic channel and of the basic amenities of international intercourse. There is something in all this of the behavior of a person who has thrown off the last inhibitions of manners and good form in his relations with other people and is prepared to behave in any way that suits his most primitive feelings, without inhibition, even—when he feels like it—with derision, insolence and impertinence, in the confidence that he has nothing to lose. I hasten to add that this is not the recklessness of a regime which does not care whether or not war comes; it is the recklessness of a regime which does not dream that questions of war or peace could ever be affected by the amenities of behavior. And to my mind this latter type of recklessness is scarcely less disturbing than the former.

People insensitive to differences of degree may say that this is nothing new in Soviet behavior—that it has always been this way. I would warn them strenuously against this assumption. I can say on the basis of personal experience that in the thirties and again during the war there was visible in the behavior of these people a certain ultimate caution about their overt relations with the capitalist West—a certain solicitude for the intactness and state of good repair of the normal and polite channel—a certain recognition that there might be times when this channel would prove useful and necessary to them—indeed perhaps the only thing they might have to fall back upon. Today, that caution seems to be gone. In its place there is a note of bravado—the excited, uncertain bravado of the parvenu who thinks his fortunes have advanced to the point where he need no longer pretend to be a man of correct behavior or even a man of respect for correct behavior. When I observe the manifestations of the conduct of the people in the Kremlin today and drink in those ineluctable touches of atmosphere in which their moods and influences are so marvelously reflected on the Moscow scene, I sometimes have the feeling that I am again witnessing the swaggering arrogance of the drunken peasant-speculator Lopakhin in the last act of Chekhov's *Cherry Orchard*, when he has just purchased at auction the estate on which he grew up as a serf, and now loses control of himself in his excitement and elation and stamps around, reveling in his triumph, impervious to the

presence of the weeping family who are leaving the place forever, confident that never again will he need their respect, their help, or their solicitude.

If this is the inner emotional background of the phenomenon we are witnessing, then we have a bitter problem on our hands. It is not easy to bring back to the level of sobriety and decorum people who have fallen into this frame of mind. It should not necessarily be impossible. But it will take real thought and skillful action on our part, and probably luck as well.

Please forgive me for writing at this length. I am not generally a partisan of long documents. But when you are dealing with matters so strange and intricate as the psychology of the Bolshevik regime in the year 1952, the danger of saying too little at the cost of being cryptic and over-simplifying is sometimes greater than the danger of saying too much.

Very sincerely,

GEORGE F. KENNAN

No. 508

511.00/6–1352: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

SECRET Moscow, June 13, 1952—2 p.m.

1995. Before leaving Washington, I was variously requested bear in mind problems of our informational and psychological warfare authorities and give my suggestions as soon as possible on main direction our effort shld take. This msg intended as expression of my personal feeling on this subj after some weeks Moscow.

The more I become acquainted with spirit and tenor of present internal Sov ideological material, clearer it becomes to me that main basis of Sov outlook on world affairs today, underlying its entire behavior toward the Western Countries, is its persistent and despairing hope that present structure of Western World will prove unstable, unsound, and increasingly inadequate to withstand the steady polit attacks levied against it by world Commie movement. The belief is still officially accepted and entertained in Kremlin that, to use familiar Commie algebra, capitalist world is undergoing a phase of deep crisis which began with estab of Sov power in 1917, was rendered much more serious by outcome of World War II, and now actually represents the final and all-decisive crisis from which capitalism, in the face of its internal weaknesses and of

contd Commie harassments, will not be able to recover. On this thesis there seems to rest the main rationale of Sov current world policy, embracing on the one hand an unwillingness to launch and generate war against the West, this being unnecessary as well as dangerous to Sov power in many ways, but also, on the other hand, an unwillingness to have any real dealings, as distinct from "demonstrative" dealings, with Western Govts, and a refusal to treat these govts with respect or to refrain from intensive efforts to carve the ground out from under them and destroy them. If this thesis of the unsoundness of present structure of the non-Commie world cld be shaken, bottom wld drop out of the rationale of Sov policy as we know it today.

In the present shrill exaggerations of Sov propaganda one cannot help but sense an extreme nervousness about the validity of this thesis, a feeling of desperate necessity to find substantiation for it, and accordingly a somewhat frantic casting around for any sort of straw that cld possibly be conceived to support it. *Pravda* yesterday morning had an editorial on the internatl sitn which consists of nothing but this sort of whistling in the dark and gives evidence of the most anguished scrutiny of the Western World to see whether some new sources of weakness cannot somehow be discovered or plausibly claimed to exist, which wld serve to support the basic thesis. This seems to me to indicate there may be advanced degree of inner doubt here about the soundness of this thesis.

In these circumstances, I wonder whether most important and effective blow we cld deliver against Sov policy at this time might not be a psychological attack directed at the Kremlin itself, designed to shake its confidence and that of its influential followers in the soundness of above thesis and to give support to those people in high Commie circles here who may at one time or another have expressed doubt about it. It seems to me that the best way to handle this on psychological plane is by flat and vigorous challenge of the central theory on which the Sov position rests. This wld of course not replace but only supplement propaganda addressed to other major targets, such as peoples of uncommitted or threatened areas elsewhere.

In terms of hypothetical direct address to Commie leaders I wld conceive of this challenge somewhat along following lines, which is actually one I myself am taking here in Moscow whenever convenient occasions arise.

"Your people are continuing to live on the basis of a dream which is product of your own wish and your own fantasy. You still imagine that there will come a day when forces within the Western World, forces you have succeeded in influencing or bewildering will finally drag down or hamstring political regimes in the Western

Countries that oppose your policies or force those regimes to give up their recalcitrance and to dance to your tune. You have hypnotized yourselves in believing this because anything else is painful and distasteful to you. Fortifying yourselves by this self-deception, you have managed to persuade yourselves that you do not have any need to deal respectfully with Western Governments and to arrive in good faith at any serious arrangements with them. You believe that you can continue with impunity to abuse the diplomatic channel and UN by using them only 'demonstratively' as further means of trying to put public pressure on the Western Governments.

Actually, by following this line what you succeed in doing is only in keeping whole world in state of turmoil and uncertainty. This involves great burdens and inconveniences for everyone, but they are ones which West will be better able to bear, in long term, than you will.

This situation cannot be improved until you realize that you are indulging yourselves in an error of cosmic proportions which will sooner or later penalize you more heavily than anyone else. Your analysis of capitalism is at least 40 years out of date and wholly unsound. For a full 30 years you have been hopefully and regularly predicting catastrophe for capitalist society; yet nowhere has it occurred. Only Western Countries which have moved into Communist camp have been brought there by movement of Red Army into Eastern Europe, and by no other factor. They are held there today by sheer military intimidation and nothing else.

Western society is not suffering any final and insoluble crisis, or anything near it. It has its problems, but it admits them and faces them, instead of trying to pretend, as you do with yours, that they do not exist. They are the normal problems of change and development; and they are being successfully faced. What you know in your hearts to be true but desperately do not want to recognize is that the world is actually entering upon a period which, in the absence of major war, will be another period of relative stabilization in the relationship between socialism and capitalism. This period is going to be extremely prolonged—so prolonged that there is no use even trying to look to the end of it. The fact is that ten years hence, or twenty years hence, whatever you do, those same non-Communist Western Governments that you are trying today so desperately to undermine are still going to be there and in command of the loyalties of the peoples and of the resources of their territories. The only real question for you will be the terms by which your relationship to them is to be governed. This you will have to work out with those governments by decent and respectful negotiation. However distasteful this may be to you and however desperately you may resist it, in the end it is precisely with those same

governments themselves and not with the peoples behind them, not with any 'partisans of peace' or 'progressive circles' or any other of your escapist alternatives, that you are going to have to deal. But longer you delay in realizing this and acting upon it, more unfavorable are going to be terms you get. It is high time, therefore, that you ceased deluding yourselves at your own expense, woke up to a sober appreciation of world realities. It is high time for you to learn to take a serious attitude toward those forces and institutions with which you are some day going to have to come to terms if you are going to assure to yourselves any comfortable and tolerable existence in this world."

This seems to me line of attack best designed to hit Kremlin at point of maximum weakness and vulnerability. The essence of it is: "You Communists are wrong in your analysis of the trend of Western society; you have made profound theoretical errors; capitalism is not going to break up; your policy is therefore doomed to failure; those who persist in believing in myth of the basic capitalist crisis are going to have to pay the penalty of their stubborn error."

If this central thesis be adopted, it should, in my opinion, be thrown out against the Communist World in every conceivable variation, with unremitting reiteration and persistence, and with all possible factual support. It should be plugged by VOA. It should be used as a talking line by all people who have occasion to deal with or talk to Soviet officials or their stooges. It should be planted in any places where there is reason to believe that it will get back to the Kremlin. It shld be extensively used at the United Nations. It shld find a place, if possible, in any serious theoretical discussions to which the Commie World is apt to pay attn. Sov propaganda contrary to it shld be relentlessly and vigorously exposed on a day-by-day basis, letting nothing go unchallenged.

If this were done, I think we wld be doing best we cld to shake Kremlin confidence and to prepare ground for eventual constructive dipl effort.

Lest some of the above suggestions appear too obvious, I wld like to point out what the above line, as I see it, does *not* say. It does not say that world conflict with Communism will be decided by war or even exclusively by predominance in armed force, although eventual Western predominance shld be confidently predicted, and high scale of armaments portrayed as inevitable result of erroneous Sov policy. It does not say that peoples of Commie area are going to rise up and overthrow Sov regime or that inner-Sov contradictions are going to bring about destruction or weakening of Sov power at any early date, although possibility of that shld not be excluded and may be talked about in materials addressed to other targets. It does not say that we are going to disintegrate

Soviet machine by propaganda or indeed by any form of direct external action. It only says that Kremlin is making grave theoretical errors in its estimate of outside world and will be unable to escape eventual consequences of this stubborn and persistent blindness.[1]

KENNAN

[1]There is no indication in Department of State files that this message was answered. The message was commented upon in a memorandum of June 23 from Regional Planning Director for the Bureau of Far Eastern Affairs John K. Emmerson to Assistant Secretary for Far Eastern Affairs John Allison. Emmerson's memorandum begins as follows:

"It seems to me that Ambassador Kennan's brilliant telegram analyzing the basis of the Soviet outlook on world affairs and prescribing a propaganda answer for us to use does not take sufficiently into consideration the situation in Asia. The answer suggested applies to Western Europe and the Americas, but I believe we need a different one for Asia."

The memorandum concludes:

"In brief, I believe we should avoid discussing the world situation in terms only of *Western* stability or of an East-West conflict. Furthermore, to ignore the situation in Asia is to display weakness on our part and to lay ourselves open to rebuttals and charges which can only benefit the Communist side." (511.00/6–2352)

No. 509

120.3216/6–1852

The Ambassador in the Soviet Union (Kennan) to the Deputy Under Secretary of State (Matthews)[1]

TOP SECRET Moscow, June 18, 1952.

DEAR DOC: I propose in this letter to speak about matter of such delicacy that I want you to know before you get into it that it is a

[1]Attached to the source text is a memorandum of July 22 by Fisher Howe (R), which reads:

"At a meeting on July 17 with Doc Matthews, Chip Bohlen, Wally Barbour and myself, my recommendation was accepted that a message go to Kennan, suggesting that this letter be shown on a non-retention basis, to the Service chiefs. If Kennan objected he would need to write another letter which could be shown to the intelligence service chiefs. Kennan replied to the effect that he had no objection.

"At Doc Matthew's direction, Wally Barbour and I saw separately Admiral Stout, General Samford and Generals Weckerling and Phillips, each of whom read the letter and found no serious objection. All agreed to cooperate and recognized fully the controlling interest of the Ambassador.

"I reported this to Doc and indicated to him that Wally Barbour would prepare either a message or a personal letter from Matthews to Kennan, indicating the results of our conversations with the Service chiefs."

A handwritten notation by Howe (dated July 24) on his memorandum of July 22 indicates that Barbour cleared with Matthews a personal letter from Matthews to Kennan of the sort suggested above by Howe. Neither this personal letter nor the exchange of messages cited in the first paragraph of Howe's memorandum have been found in Department of State files.

letter of which I am keeping no copy, and one which you will probably wish to destroy as soon as you have read it.

Since my arrival in Moscow I have become increasingly aware of a situation which not only gives me great concern but which seems to involve a very important question of principle concerning the attitude of our Government as a whole toward this mission and the functions which it is supposed to perform. I am prepared to go ahead and decide these questions on my own formal responsibility here, but in doing so I wish to make sure that the situation is clearly understood in Washington and that my decision here is in accord with the view of authoritative circles in our Government. It is for this reason that I am mentioning the matter to you.

I find upon arrival here and upon closer acquaintance with the activities of the staff that during the past two or three years this mission—and by that I mean its personnel, premises and extraterritorial status—has been intensively and somewhat recklessly exploited by the military intelligence-gathering agencies of the Government for their particular purposes. Their representatives here have, I am afraid, been encouraged by their home offices to utilize intensively such facilities as they enjoy here by virtue of their diplomatic status, for the purpose of assembling every possible shred of information on military subjects. I do not find that their instructions have called upon them to take adequate account of the effects their actions might have on the straight political and diplomatic potential of the mission, or on those very privileges and facilities from which they were profiting. So far as I can analyze the point of view which lies behind these activities, it is one which has not considered the diplomatic potential of this mission as a factor to be seriously taken into account, and which assumes the very existence of the mission as a short term provisorium, to be ruthlessly and intensively exploited while it lasts.

I would like to be able to list for you a number of the factual incidents which lead me to make these observations. Actually, I cannot bring myself to put them on paper for obvious reasons. I can only say the following about them:

1. Many of them are quite shocking and surprising, almost incredible to anyone who has had any extensive familiarity with the diplomatic profession.

2. In several instances little or no effort has been made to avoid detection by the Soviet authorities. In certain instances actions have been performed here under the very lenses of Soviet photographers appointed for the purpose of photographing them, and those actions were ones which the Soviet Government had specifically warned us were contrary to local law.

3. Many of these actions seem to me to have been of a childish and "Boy Scout" nature, which, in addition to serving as proof to

the Soviet Government of systematic misuse of our diplomatic status, must have brought smiles to the faces of higher Soviet authorities and cannot have contributed to Soviet respect for the mission.

4. Many of the targets are ones which I think could easily have been reached by other and less dangerous methods.

5. In general, these activities have been the result not of spontaneous initiative on the part of the men out here, but of pressures put upon them by their own superiors in Washington.

These activities have had and are having three effects which I think it is important for our Government to note:

1. They are self-defeating in that they lead to a steady and gradual curtailment of the very facilities which they exploit.

I have no doubt whatsoever that the curtailment of travel for this mission represents a reaction of the Soviet authorities to the extensive exploitation of travel facilities by this and other missions for purposes which cannot be viewed by them as legitimate. The same is true of the drastic and total isolation of the diplomatic corps here, including even neutral missions, from contact with the Soviet people. These things have probably had a good deal to do with the extraordinary pressures put on the servant and custodial staffs of diplomatic missions. If they are continued, we must expect a steady increase in the severity of these restrictions to a point where life will become practically impossible for foreigners in this city unless they wish to sit like prisoners within their buildings and be served by imported servants. The upshot of this is that activities of this nature must be predicated upon a lack of concern for maintenance of those very facilities whose existence they assume and exploit.

2. These activities have a deleterious effect on the actual diplomatic potential of the mission, i.e., of its value as a political reporting unit and a channel of communication with the Soviet Government, and have already probably reduced its possibilities significantly in these fields.

What has been said above about the exhaustion of these channels for intelligence purposes has its application in even greater degree to the normal purposes that these facilities were supposed to serve. With the increasing isolation of the diplomatic corps, the curtailment of travel facilities, and the constant increase of Soviet vigilance vis-à-vis foreigners, you have the ruin of those last vestigial positions which made possible, even in a minor way, something resembling normal life and travel in this country. Not only that, but one cannot help feeling that the attitude of members of the Soviet Government and officials of the Foreign Office toward individual diplomatic officers of our mission must be affected by what they know of the uses to which the mission is daily being put. This applies particularly to the ambassador here, for the Soviet authorities can only conclude either that he is aware of and responsible for this employment of his mission, or that he is not aware of it or is powerless to stop it. In the first case, they must regard him as the major offender. In either of the latter cases they must regard him as a secondary figure-head who is only being put up for formal

and protocol purposes like their own ambassadors abroad. I hardly need emphasize to you how serious a factor this is. In the end, the great political judgments about the nature of Soviet power, its psychology and its intentions, are of vastly greater importance to our Government than detailed tidbits of tactical information about the Soviet armed forces, much of which can be obtained in other places or (if really well-trained people are used) by other and more desirable methods. Yet we are seriously handicapped, in our ability to arrive at these major judgments, by the retaliatory actions brought upon us by these peripheral activities of the mission. Furthermore, the maintenance of the mission as a channel of communication with the Soviet Government is something which may be rarely of practical importance but when the moment does come that it is of any value at all, then its importance can be enormous. In the burdening and reduction of the ambassadorial position by the tolerance of these activities our Government is really taking a heavy responsibility in the face of the uncertainties of the future.

3. The continuance of this type of activity actually places in jeopardy, in my opinion, the physical security of the members of the mission and their families.

Thus far the Soviet authorities have been very correct in this respect, and no American official or employee has, in recent years, suffered (to my knowledge) any physical damage or open unpleasantness. However, we know very well that the Soviet authorities are assembling a careful, and, I fear, impressive record of all of our activities. The Grew diary[2] is only a small part, I am sure, of what they have in their pocket. We also know that in the more remote past there have been instances when unwise Americans met with physical violence, judicial summonses and other forms of unpleasantness. We must remember that our American employees here—and by this I mean all those persons not on the diplomatic list—are by Soviet usage completely devoid of diplomatic immunity for any violations of Soviet law. We have not seen fit to challenge seriously this position of the Soviet authorities. That means that these people are all extremely vulnerable and can in most instances very easily be framed and made subject to court action at any time. Finally, you have the several possibilities that out of the present delicate international situation there might arise either a rupture of relations between our countries or an actual state of war. In either of these events, I think it entirely possible, if not likely, that individual members of our staff, and perhaps the whole staff might suffer seriously by virtue of these activities that have been conducted in the past. Our Government must therefore realize that if it wishes such activities to be continued at this post, it cannot hold the ambassador and other officers of the mission responsible for

[2]See footnote 5, Document 499.

the maximum safety of members of the staff in the face of possible consequences that may ensue.

I am aware that this is hardly a matter on which direct written instructions can be issued to this mission, and not even one about which there can be official correspondence. I do not wish to place the Government in the position of having to give me any written instructions of an undesirable nature. I am therefore writing this letter to tell you, first of all, that I propose to issue orders to all members of this mission that they are expected to comply strictly with Soviet laws and regulations so far as they are known, and also they are to avoid every form of public behavior which might be expected to give the impression to local citizens and officials that they are engaged in improper activities. This applies particularly to the use of cameras, radio receiving sets, and other electrical and auditory devices, and to the visiting or inspection of installations or areas of a known military significance. I have already discussed these matters with the service attachés, who have taken my observations in good part. But one of them points out that this will mean important modifications in his policies and activities, and that these modifications are not apt to be agreeable to his home office.

Secondly, I would like to ask that you call to the attention of the heads of the various intelligence-gathering agencies the fact that this is my intention, and that you ascertain whether any of them is in disagreement with this position and considers that it is, on balance, detrimental to United States interests.

Thirdly, in case there is this feeling on the part of any of the responsible heads of the agencies involved, I would earnestly request that you have this matter taken to a high interdepartmental agency for thorough discussion and settlement.

Fourth, if my proposed position here meets with the full understanding and approval of the Government—so that I need not feel that any subsequent reproach will rest upon me or this mission for its conduct in this matter—then I will expect no reply of any sort to this communication, and I will understand that silence means consent.

Fifth, if, on the other hand, it is the considered view of the appropriate higher authorities of our Government that the practices I have in mind are of an importance such as to override the disadvantages to which I have pointed, and if, therefore, it is the desire of the Government that I not alter any of the existing practices, then I would appreciate it if you could find means simply to inform me that my letter of this date has been duly considered but that the Government sees no grounds for alteration of existing practices. In such case, however, I want it clearly understood, both by

the Secretary and the President, that I cannot properly be held responsible for such deterioration as may ensue in the value of this mission both as an observation post and as a channel of communication with the Soviet Government, or for any other unhappy consequences.

I am sorry to have to write this letter, but if you will put yourself in my place you will see that I have no choice but to do so. I cannot allow to proceed a progressive deterioration in the actual diplomatic potential of a mission entrusted to my care, on a vague assumption that this is what the Government wants. On the other hand, I cannot, without at least apprising the Government of what I am doing and giving it an opportunity to overrule me, take administrative measures here which might later conceivably lead to my being charged with having deprived the United States Government of valuable information, and prejudiced the military interests of the country.

Very sincerely yours,

GEORGE F. KENNAN

P.S. Two afterthoughts:

I neglected to mention above that I am afraid the situation I have described in this letter has led to a certain amount of bitterness against this mission on the part of other missions in the city, who feel that their status has also been worsened and their opportunities reduced as a result of our activities. I think there is something in this, if we take into consideration, in addition to the activities discussed in this letter, indiscretions that have been committed by individual Americans in the form of publication or leakage of information about their relations with other missions and with Soviet citizens here.

Secondly, I should make it plain that the reason I am addressing this letter to you now is that the first severe test of the policy I propose to enforce here will come in connection with the Soviet Air Force Day on June 28. I shall not be here myself, but I have given instructions through Hugh Cumming that there is to be no photographing or listening activity on the roofs of Embassy premises here which can be detected and photographed from other roofs (as has been done in the past). If the consensus of authoritative opinion in Washington wish to indicate that to Hugh by telegraphic message as suggested above, we will permit the activities; but my own feeling is that it is highly unwise and is bound to appear some day in a propaganda white book or some other disagreeable form, as proof of the systematic abuse by the American Embassy of its

diplomatic status and of its violation of local Soviet laws and regulations.

G.F.K.

No. 510

611.61/6–1852: Telegram

The Secretary of State to the Embassy in the Soviet Union[1]

TOP SECRET NIACT WASHINGTON, June 18, 1952—6:20 p.m.

896. For the Amb. We think it desirable you take occasion ur call Vyshinski (Embtel 2027[2]) to emphasize again to him our serious concern over apparent significance current anti-Amer campaign along lines my conversation with Panyushkin (Deptel 858, June 10[3]). It seems to us ur taking initiative in raising matter with Vyshinski and referring to my statement to Panyushkin will give desirable emphasis in line our general assessment of Sov thinking this matter.

I will of course wish to talk with you more on this subject in London; particularly I wld like to explore desirable course of action which we might take publicly in addition to our statement in U.N. We incline now to agree that parallel to steps taken with Panyushkin and Vyshinski to impress Sov Govt confidentially with implications of this campaign some further public action is desirable to counter the appreciable effect the campaign is reported to be having in certain quarters of world opinion.

ACHESON

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[1]Drafted by Barbour (EE); cleared by Perkins (EUR), Matthews (G), Sargeant (P), and Bruce (U); and signed by Secretary Acheson.

[2]Telegram 2027 discussed arrangements for a call by Kennan on Vyshinski. (611.61/6–1052)

[3]Telegram 858 transmitted the summary of the concluding portions of the record of the Secretary's conversation with Ambassador Panyushkin on June 6. For the complete memorandum of the conversation, see Document 506.

No. 511

611.61/6-1952: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

SECRET PRIORITY Moscow, June 19, 1952—8 p.m.

2044. I called on Vishinsky as scheduled and had conversation with him which, to my mind was extremely interesting and somewhat encouraging. It was my first discussion of any political subject with any Sov official since my arrival here, and I think my long silence and restraint lent a desirable emphasis to it in Sov eyes. He received me courteously but quite seriously, there was no banter or small talk. Since he did not bring up the question of our relations I did so myself, referred to the Secretary's talk with Panyushkin, said I would not repeat the Secretary's remarks but could say that they reflected such reports as I had been obliged to my great regret to render about the violent anti-American propaganda with which I had been greeted on my arrival. I emphasized to him how painful this had been to me and how difficult it had been for me to discover any reasons for all this which could conceivably be compatible with a desire on the Sov inside to improve Sov-Amer relations. I said that I had worked hard up to this time and had done all in my power to bring about an improvement in the atmosphere surrounding the relations between the two governments, that I was not a pessimist and would be glad to continue to use my influence in this direction, but what I had seen here since my arrival really caused me to question whether there was any point in such effort, since it could not be entirely one-way street.

I was less surprised by the content of Vishinsky's reply than by its terms and tone of utterance. He spoke quietly and reasonably, with no trace of vehemence or unfriendliness, and in a manner quite different from that which he uses when he is reiterating propaganda formulas designed for the public record, or when he feels under any pressure from higher authority to be aggressive and unpleasant. He referred immediately to statements made on our side of the water, some of them, he said, by high-placed persons, and also to the Grew diary,[1] the press attacks, etc. He made particular reference, in what seemed to me to be really plaintive terms, to the Gubichev case.[2] He did not specifically mention

[1]See footnote 5, Document 499.

[2]Valentin Alekseyevich Gubichev, a Soviet citizen and former member of the Soviet Delegation to the United Nations subsequently serving as an engineer with

Continued

Katyn,[3] but I am certain that it was this he had most prominently in mind. He dwelt at some lengths on these matters and left no doubt about their being the Sov Govt's official reason for the propaganda.

I did not wish to be drawn into an argument with him about propaganda exchanges and incidents of the past, and terminated the conversation by saying to him that I deeply hoped that the anti-Amer propaganda might cease at once and that so far as such things as the Grew diary were concerned, I would ask that we be judged by the present and not by the past. In parting he took occasion, to my surprise, to indicate that the Sov Govt had high regard for my person and that none of the unpleasantness had any reference to myself.

By way of comment on the above I would say only this. The past has taught us the need for greatest wariness in dealing with the Sovs precisely in their better moments. Eager optimism is the enemy of all progress at such junctures. We know that when we run across reactions and motives on their part which are at least understandable in normal human terms, they are usually intermingled with other impulses of which this cannot be said. What Vishinsky said to me of the background of the anti-Amer campaign is only part of the story, and the misunderstandings to which his statement points are extremely serious ones, since they have roots in the stubborn Sov refusal to understand the nature of Amer public opinion and its channels of expression. Nevertheless, I have the feeling that this talk was useful and encouraging. It indicated a certain concern for my opinion, and represented at least something like an effort on his part to present an explanation for the campaign—and that in itself was not something to be taken for granted. If nothing occurs in major Amer utterances to rock the boat in these coming days, I think we may soon see a relative decline in the amount of anti-Amer material appearing here. This does not mean that I think there is possibility that the tone of the Sov press will shortly become friendly to us. I merely think it possible, as a result of the Secretary's helpful statements to Panyushkin[4] and in

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the U.N. Secretariat in New York, was arrested in New York on Mar. 5, 1949, for receiving stolen government information from Judith Coplon, an employee of the Department of Justice. Gubichev was indicted for having violated the espionage laws of the United States, tried, and convicted. A long prison sentence handed down by the trial judge on Mar. 9, 1950, was suspended on condition that Gubichev be deported from the United States, which in fact occurred on Mar. 20, 1950. For documentation on the Gubichev case, see *Foreign Relations*, 1949, vol. v, pp. 776–805.

[3]See footnote 3, Document 499.

[4]Reference is presumably to the conversation between the Secretary of State and Ambassador Panyushkin on June 6; see Document 506.

the light of this talk with Vishinsky, that the abnormal pitch of anti-Americanism may now wane fairly rapidly, if no new factor appears to exacerbate the situation. Its possibilities must have been fairly well exhausted by this time, in any case.

In light of above, I hope no major statement or move will now be made by us until I have chance to discuss matter with Secretary in London next week.[5] For what I feel to be good reason, I have not told local press about this meeting with Vishinsky and hope that news of it may be closely held in Washington.

KENNAN

[5]In telegram 1910, May 31, Kennan informed the Department that he was planning to visit Berlin and Bonn in late June for consultation with authorities in Germany and to assist his family in travel to Moscow. Kennan planned to leave Moscow on June 21 and return to Moscow on June 30. (123 Kennan, George F.) In an exchange of messages with and at the suggestion of Secretary Acheson, Kennan broadened his itinerary to include a visit to London on June 27 for luncheon with Acheson. (123 Kennan, George F.)

No. 512

511.61/6-2052: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

SECRET PRIORITY Moscow, June 20, 1952—3 p. m.

2050. Reflecting further on yesterday's talk with Vyshinsky, I think explanation of his attitude may well lie in fact that we have to deal here with the different elements within Soviet power structure, namely Foreign Office on one hand, and certain powerful party and police elements behind scenes, on other hand. (See Embtel 2044, June 19[1]). I have distinct impression that not only did FonOff have nothing to do with initiating this campaign, which wld be only natural in the light of its relatively subordinate and executory role in Soviet power structure, but that most higher officials, probably including Vyshinsky himself, have general realization how unwise and dangerous a procedure it has been, have inwardly not approved it, but may have been told from higher up only that campaign was answer to irritating and offensive public attacks against Sov power in US and have until recently been unable to find any means to bring about its modification. Think it likely that Secretary's statements to Panyushkin may have provided Foreign Office with evidence to demonstrate that campaign might have un-

[1]*Supra.*

desirable and unintended political implications and that this may have had real effect. Atrocity propaganda has fallen off noticeably in recent days, and Malik's recent refusal at UN to permit discussion Korea in connection with bacteriological warfare convention, plus his own failure at this stage to bring up specific charges against us in this connection, may well be indicative of this change.

For purposes of clarity, would add that I do not conclude from Panyushkin's and Vyshinsky's statements that irritation over US attacks and digs is the only reason for campaign in minds of its real authors; but it may be only reason given to FonOff, and its relative importance is probably somewhat greater than my earlier reports would indicate.

KENNAN

No. 513

761.13/6–2052: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

TOP SECRET PRIORITY Moscow, June 20, 1952—3 p.m.

2051. For very guarded and limited distribution. With regard to Bucharest 507 to Dept of June 18[1] about rumors concerning Stalin, removal of Stalin's pictures etc., hope to submit later in summer careful study of top personnel situation here. But thought it might be useful at this time to sum up very briefly my impressions to date for benefit limited circle of top officials our govt.

There is no recent reliable evidence concerning composition of Politburo and mutual relationships between its members. Insofar as statements and behavior of Soviet power permit us to make guesses at situation, I see evidence which leads me to believe that Stalin's personality is still making itself felt from time to time in formulation and conduct Soviet policy. Recurrence of certain phrases and extremisms in Sov propaganda appear to represent genuine Stalin touch. Sov press still cites Stalin copiously and with reverence, and his recent Victory Day messages to satellite leaders constituted official confirmation here of his continued existence and exercise of office of Prime Minister. On other hand, there

[1]This telegram reported that unconfirmed rumors and reports were circulating that the party organizations had been instructed to deemphasize Stalin and that Molotov and Vyshinsky would soon replace Stalin. One report indicated that party orders had been issued to remove Stalin's pictures from public display. (Microfilm Moscow telegrams, FY 53)

seems to me to be considerable evidence that his participation in public affairs is sporadic and relatively superficial as compared with period before and during the war. There are indications in Sov actions of divided councils, indecisions and inability on part of action-taking officials to get clear directives from superiors. I do not get impression of complete one-man dominance which characterized Sov policies some years ago. Hypothesis occasionally broached in foreign circles (see Svandze's articles in Fr magazine *Réalités*) that Stalin has in recent years required Politburo to take action by majority vote when he is not present or available seems to me, for numerous reasons, to be quite plausible. Such an arrangement wld account for much of the hesitation and indecision visible in Sov policy.

There are occasional evidences, but unmistakable ones, that the bets of informed members of the higher party and police bureaucracy are running toward Malenkov as most likely person to emerge in position of decisive authority as Stalin's authority wanes or is eclipsed by death. These indications as I said, are unmistakable, but I think we wld be wrong to assume that these people really know and are necessarily placing their bets on the right horse. Kremlin politics are tricky in the extreme. My own guess would be that mere appearance of these indications, which cannot fail to have been carefully noted by all members of Politburo including Stalin, render Malenkov's position at this moment extremely delicate and dangerous, and constitute a burden rather than a boon to his chances for succession. We shld not be surprised if we see him overtaken by catastrophe before this coming denouement is complete.

While we do not have evidence that Molotov has ever aspired to Number One position, and while it wld indeed seem somewhat contrary to his character and habits, it may be that circumstances, above all perhaps his own impeccable caution, will lead him into it.

One more thing: foreigners often assume it is only Stalin's death that cld plunge Politburo into state of acute internal crisis. I wld warn against this. It might be precisely a death among the leading aspirants to power: Malenkov, Molotov, Beria, perhaps Bulganin, which wld have most unsettling and unexpected effects. Whims and vicissitudes of nature seem to me to have spared this body of men for abnormally long time. It is time nature began to play her usual tricks, and their effects may well be quite different from anything any of us have anticipated.

KENNAN

No. 514

CFM files, lot M 88, box 162, "Ministerial Talks in London (MTL)"

Memorandum by the Ambassador to the Soviet Union (Kennan) to the Secretary of State

SECRET [LONDON,] June 27, 1952.

Since I sent my last reports to the Department, and in fact since I left Moscow,[1] *Izvestiya*—the official Government organ, has run an editorial[2] listing Soviet grievances against the United States in most thorough fashion: going way back to wartime and even pre-war days. I think this is a reaction to my recent talk with Vyshinski;[3] and is of significance.

My recommendations are as follows:

(1) That our Government issue no formal statement and make no formal communication to the Soviet Government at this time about the anti-US campaign;

(2) That we take occasion in official speeches and statements as well as in the output of VOA and other propaganda media, to ridicule Soviet charges by citing and high-lighting their obvious absurdities and exaggerations, such as that we have buried alive 100,000 people in Korea, murdered 300,000 women and children, that 2,000,000 children in the United States sleep on the subway gratings, that the United States has 14,000,000 starving unemployed, etc;

(3) That we go easy for the time being on anti-Soviet atrocity propaganda, for reasons I can explain on another occasion;

(4) That I be authorized to discuss this late *Izvestiya* editorial with Mr. Vyshinski orally and informally, pointing out to him that it involves extremely serious misapprehensions concerning American policy, that these misstatements must either be believed by the Soviet leaders, in which case they have been maliciously and grievously misinformed, or they are not believed, in which case the Soviet Government is deliberately muddying the waters at a serious and delicate moment in international life. In either case the conclusions we must draw are extremely disturbing. I would then warn Mr. Vyshinski that the continued bandying about of these misstatements in editorial statements of the organ of the Presidi-

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[1]Ambassador Kennan was scheduled to confer with Secretary Acheson at a luncheon meeting in London on June 27. No record of that meeting has been found. This memorandum was presumably handed to Acheson at that meeting.

[2]The lead editorials of *Pravda* (the organ of the Soviet Government) and *Izvestiya* (the organ of the Communist Party of the Soviet Union) on June 22 were devoted to the 11th anniversary of the Nazi invasion of the Soviet Union. The editorial in *Izvestiya*, which telegram 2063 from Moscow, June 23, characterized as the sharper of the two, claimed that the "imperialist powers" sought to direct Nazi aggression against the Soviet Union and since the end of World War II the United States and its allies had been seeking to unleash a new war against the Soviet Union. (Moscow microfilm telegrams, FY 53)

[3]See Document 511.

um of the Supreme Soviet of the U.S.S.R. cannot but reflect adversely on our relations and represents a heavy responsibility on the part of the Soviet Government.

I would explain to Mr. Vyshinski that I was authorized to make these statements to him in the name of my Government. I would add, however, that I remained prepared to discuss with him in a friendly manner at any time the clarification of any doubts or questions the Soviet Government has to make with regard to United States policy.

No. 515

123 Kennan, George F.: Telegram

The Ambassador to the Soviet Union (Kennan) to the Department of State[1]

SECRET PRIORITY BONN, June 29, 1952—2 p. m.

3587. From Kennan. Dept please bring to immediate attention Bohlen. Upon arriving West Eur I was bedeviled for some days by various *Time-Life* correspondents in Bonn and London for data to build cover story on myself, slated to appear some time in July, and avoided them or put them off as best I cld. I did not realize what was really up until late last night, when head of local *Time-Life* bureau, White, appeared at my hotel with 50 page telegram from NY editors, told me he had been on telephone off and on all afternoon with Luce,[2] that never in his experience had he known editors to attach such importance to any single story, that Gibbs, their top Eur man, was on his way from Paris to collaborate in its preparation, etc. Intended story, as reflected by mass of questions wired from NY, which he showed me, wld be discussion of Sov-American relations built around my person, my past experience with Russ matters, my known views, and my present reactions to Moscow scene. It seems to have been provoked by recent Alsop piece[3] and particularly by suggestion contained therein that I had

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[1]Repeated to Berlin as telegram 369 for Secretary Acheson and to Moscow as telegram 156. A copy of this message on the stationery of the Office of the U.S. High Commissioner for Austria indicates that it was also repeated to Vienna for Secretary Acheson as telegram 104. (CFM files, lot M 88, "Ministerial Talks in London") Acheson traveled from Berlin to Vienna on June 29 as part of his European visit.

[2]Henry R. Luce, publisher and editor, editor-in-chief of *Time, Life, Fortune*, and other national periodicals controlled by Time, Inc., of which he was Director.

[3]In telegram 2053, June 20, Kennan reported that he had just seen an Alsop article entitled "Contrails in Our Sky" which appeared in the Paris edition of the *Herald Tribune* on June 16. Kennan commented upon the article in part as follows:

"Cannot conceive any Sov intelligence agent cld ever have packed into art of this size more information of milit interest to Sov Govt. I assume this comes from circles

Continued

been caused by initial impressions in Moscow to change my views on Sov psychology and intentions and now thought Moscow might be preparing to launch World War III at early date. Questions call for my views on every possible angle Sov-American relations, including comment on Dulles recent suggestions, and many other controversial issues.

I am seeing White again this afternoon and propose to tell him that I cannot make any comments independently on an inquiry of this nature, but am reporting it promptly to Dept, in view of its far-reaching character. However, I do not think matter shld be simply left at this. *Time-Life* is almost surely going to write some story, whatever I say or refuse to say. I think it dangerous that they be left with impression, as conveyed in Alsop piece, that I have had to revise my basic interpretation of Sov policy and think Kremlin is about to jump us. This is problem for Dept, but seems to me something must be done to correct this misapprehension. Offhand, I would think best plan wld be for someone in senior position to see not just Luce alone but limited circle of senior editors of important major mass media (including *Time-Life*) and main Washington columnists, show them for background purposes my recent ltr to Matthews,[4] which puts Alsop story in proper perspective, and appeal to their sense of public responsibility in asking them to see further publicity handled in such a way as not to blow my usefulness in Moscow or give public false impression as to tenor of my reports. Realize this has strong disadvantages but think they may be lesser of evils. As basis for such background fill-in, I wld suggest something along lines of statement I am appending at end of this msg. (refs to fon affs articles are included because I know *Time-Life* will refer to them whatever I say and I think it time to dispel certain stubborn misapprehensions, particularly about the first one, which have dogged its path ever since it first appeared). I cld give this statement to *Time-Life* bureau here (or arrange to have this done after my departure early tomorrow morning) but since it wld be story of some news value in itself believe it shld not go to *Time-Life* alone, and that it wld more properly come from Dept to wider circle of interested press media. Text of proposed statement fols:

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within our own government and is being released on theory that Sov Govt ought to know it anyway, but I wld like to warn against release milit intelligence on our side on theory that Sov intelligence system is perfect and never misses." (Moscow microfilm telegrams, FY 53)

Joseph W. Alsop, Jr., and Stewart J.O. Alsop were journalists who co-authored the newspaper column "Matter of Fact" which was syndicated through the New York *Herald Tribune*.

[4]Reference is to Document 507.

Verbatim

1. "X" Article[5] was written end of 1945 not as expression of official policy but as personal contribution to public discussion of Sov-American relations then in progress. Kennan was at time of writing not assigned to Dept of State, and had no idea that by time article appeared he wld be occupying an important policy post in Dept.

2. Concept of "containment" was mentioned in article only as alternative to ideas of (1) appeasement or (2) despairing acceptance of inevitability of war—both of which ideas Kennan had encountered among American public upon his return from Russia in 1946, and both of which appeared to him as childish extremes.

3. In using the term "containment," Kennan had in mind resistance, to extent permitted by US capabilities, to the peculiar brand of *political attack* which had been conducted against the free world by the Bolshevik-Communist movement ever since the revolution, under Moscow's leadership and direction; he did *not* have in mind the possibility of *outright military aggression* by Sov forces against other countries, since he did not regard this as the main problem for the coming period. This was the source of a certain amount of misinterpretation of the article, which Kennan has always regretted.

4. Kennan's personal views were given a new expression in the winter of 1951 in a further article on foreign affairs, written at a time when the Korean war was already in progress and when the sitn was substantially the same as today. At the time that article was written Kennan was again not working in govt, was engaged in private activity at Princeton, and had no idea he wld soon be returning to an official position connected with Sov-American relations. It represented solely his own views, and not govt policy.

5. Kennan is by training and instinct a professional public servant and a strong believer in the necessity of firm discipline and clear separation of responsibility in the governmental service he regards himself, in his present position, as a technical expert, available to give factual info and comment to the Secy of State and the President when they require it, and considers it unfair to them and detrimental to the public interest that he shld speak publicly about such comment or info as he may have occasion to give them. He draws a sharp distinction between his feelings as an individual and his role as a government official. In his capacity as Amb, he considers that his views on US policy and even on interpretation of Sov policy are precisely those stated by the President and other responsible policy-making officials of the govt. He does not find his personal outlook to be of primary relevance to the performance of his duties in Moscow, and he cannot understand that it shld be important or enlightening to anyone else. He feels it wld be actually confusing to the US public to have his personal feelings or background highlighted or discussed in the press at this time as anything with an important bearing on the determination of US policy with re-

[5]Reference is to Kennan's article "The Sources of Soviet Conduct" published in *Foreign Affairs*, July 1947, under the sobriquet "X". Soon after the publication of the article, Kennan was identified as "X".

spect to USSR, since he is working entirely within framework of established US Govt policy.

6. Beyond this, he considers it obvious that his position in Moscow precludes him from entering as an individual at this time into public discussion of Sov-American relations. If he were to attempt to do so, he feels it cld not possibly fail to affect his usefulness in his Moscow post. He considers that he has no right to do anything that wld have this effect. His acceptance of the Moscow position meant, as he saw it, that he was inevitably and automatically excluding himself from any possibility of participating further in public discussion of matters affecting US policy toward Russia. He went to Moscow with this understanding and has faithfully adhered to it to date, despite heavy pressure from many other publishers and correspondents. He sees this responsibility as direct to the President, and not to the public; and feels it particularly important that this distinction be borne in mind in the case of anyone representing our govt in Moscow. He feels that any prominent press stories that attempt to bring his views into connection with the discussion of these matters, even though based entirely on statements of persons other than himself, will not be helpful to his chances for usefulness in Moscow. He earnestly hopes this may be avoided, and that people at home will do him and the govt the favor of regarding him simply as an honest expert and observer, trying to do a quiet and effective job in an extremely difficult and delicate context. Feels Moscow Emb is already suffering from surfeit of publicity and begs it be spared at this time, in public interest, the spotlight of further press curiosity, which cannot really make comprehensible to wider public the nature of its unique problems and difficulties but can easily contribute to a further deterioration of its conditions of work and its usefulness to the country. What Emb desperately needs in coming period, in his opinion, is to be benevolently taken for granted by press and public and permitted to get ahead with its work.

No. 516

123 Kennan, George F. Telegram

The Acting Secretary of State to the Embassy in the Soviet Union[1]

SECRET PRIORITY WASHINGTON, June 30, 1952—2:17 p.m.

933. For Kennan from Bohlen. We have also been much disturbed over leak your views in distorted form on Sov intentions in connection with present propaganda campaign. We have been endeavoring to bring these exaggerated versions into proper perspective. Rather than off-the-record meeting of senior editors and chief

[1]Drafted by Bohlen and cleared by Bonbright (EUR), Barbour (EE), and Matthews (G). Matthews signed for the Acting Secretary of State. Repeated to Bonn as telegram 3959 and to Vienna for Secretary Acheson as telegram Telac 10.

columnists which in itself might provide basis for further controversial stories, we believe preferable to continue dealing with correspondents on individual basis. We will for this purpose use material contained in your recent letter to Matthews.

We entirely approve your refusal to give interview to *Time-Life* Bureau concerning Sov-Amer relations and your views thereon. We will follow same line here apart from normal biographic material if despite our effort *Time-Life* insists on cover story. We feel that statement from Dept. such as you propose would give rise to wide speculation and comment and therefore prefer to use it as part of background treatment referred to above. Coincidence of unfortunate leak of your report on hate America campaign and mtg with Secy in London[2] is certainly contributory cause to welter of speculation. We believe this will die down and our background briefing shld help.

BRUCE

[2]Regarding Kennan's meeting with Acheson in London on June 27, see Document 514.

No. 517

Kohler Papers, lot 74 D 379, "Personal Correspondence, 1952-1953"

The Ambassador in the Soviet Union (Kennan) to the Deputy Under Secretary of State (Matthews)

RESTRICTED
OFFICIAL INFORMAL

Moscow, July 15, 1952.

DEAR DOC: I am addressing this letter to you largely because I do not know where else to address it. I will leave it to you to see that it reaches those people in Washington who ought to see it and might be interested in doing so. The good old despatch form—that of the personal address by a chief of mission to a theoretically interested Secretary of State—now seems to have passed away with many of the other older features of diplomacy, and has been replaced, I gather, by some sort of impersonal form used mostly for unimportant items. Somehow or other I find difficulty in exposing my thoughts indiscriminately to the six or seven thousand people who I understand today make up the Department of State.

The purpose of this letter is to try to sum up for you the impressions I have gathered to date of the present state of Soviet society, as compared with conditions in the times of my former periods of service here. I am looking at these matters in the present letter from the standpoint of the population. I hope soon to make a simi-

lar assessment as to how things look from the standpoint of the regime.

You will understand that these impressions rest on a very slender basis of experience. Even the average foreign diplomat, in these days of restricted travel and total isolation from Soviet citizens, sees little from his Moscow prison. An American Ambassador, surrounded by his fantastic retinue of guardians, is even more limited than others in his opportunities for observations. What I say, therefore, is merely the result of analysis and conjecture from such shreds of evidence as are available—plus the one element which perhaps does actually lend a special value to our judgments here: the fact that we are stung daily into thinking intensively about these matters and very little else, and have the requisite time and freedom from distraction to permit us to do so.

Let us begin with the mass of the people and work toward the top.

If Moscow is any criterion, the mass of the urban dwellers in this country have it materially considerably better (quite naturally) than they had it at the end of the recent war, but also probably slightly better than they ever had it at any previous time in the Soviet period. This improvement finds itself expressed principally in the availability on the market of food and clothing and minor conveniences of life. Cost is, of course now, with the abolition of rationing, a real factor; and how much the average citizen can actually afford to buy we do not know. But life must be greatly facilitated, for almost everyone, by the ability to do readily such elementary things as to buy a pair of shoestrings or a new purse or clothes for a child, to summon a taxi in any emergency, to find something nice for a birthday party, or to get a seat—sometimes—in a bus. It is the little things that the improvement has manifested itself most; and who would challenge their importance?

Altogether, however, the improvement is not really very marked if compared with the best prior period since the First Five Year Plan—namely 1938–41. In some of the larger things, notably housing and facilities for recreation, there seems to have been little or no improvement at all. It is hard to tell, furthermore, just how far these ameliorations extend, both socially and geographically. In food and clothing the improvement is probably fairly uniform throughout the industrial and urban population of the country. But some of the most striking changes in Moscow, particularly the more extensive use of private cars, the construction of private cottages on the outskirts of the city, etc., seem to represent concessions to the privileged bureaucratic caste in the capital city, and find only pale reflections, if any, further afield. The streets of Leningrad, for example, are still, except for buses, just about as devoid

of motor vehicle traffic as they must have been in the year 1914; and since the ubiquitous droshki, which then commanded the Petersburg scene, has now disappeared entirely, the streets have a very empty appearance indeed, contrasting strongly with Moscow's busy thoroughfares.

The concessions made to the more influential Moscow public are most striking in the extent to which they have made possible the emergence of a wide-spread cultivation of private interest. I understand that in Hungary the cultivation of private garden plots is frowned on. If so, this is a very significant divergence between Soviet and satellite conditions (and, incidentally, not the only one). Garden plots exist around Moscow by the hundreds of thousands, some leased out for the summer by the suburban municipalities from public lands (roadside strips, streambottoms, etc.) but without accompanying buildings, others leased out as the grounds of summer dachas, others belonging to what are, in effect, private suburban properties. These areas on the edge of the city virtually hum with activity, and the activity is one having little or nothing to do with the "socialized sector" of economy. Houses are built with family labor (log houses still, but stout and warm and not bad housing); gardens and orchards are laid out; poultry and livestock (individual cows and goats) are traded and cultivated in great number, though all trading must be done in individual animals, or at the most, pairs, not in herds.

I would guess that the number of people participating in the pursuit of such part-time activities just around Moscow alone runs into the millions. And around their activities there has grown up a sort of commercial servicing establishment: people who make their living by growing seeds and hot-house plants, breeding animals, etc. All these people have to keep their operations to a small scale. They must be careful not to employ labor, or to be found owning anything so magnificent as a truck. Everything must be masked as individual, rather than highly organized commercial, activity. But there are ways and means of solving all those problems.

The result is that on the outskirts of Moscow there has grown up a veritable world of what you might call "miniature private interest," a world in which people devote themselves to, and think about, everything under the sun except the success of Communism, and appear to be quite happy doing so. I know, in fact, of no human environment more warmly and agreeably pulsating with activity, contentment and sociability than a contemporary Moscow suburban "dacha" area on a nice spring morning, after the long, trying winter. Everything takes place in a genial intimacy and informality: hammers ring, roosters crow, goats tug at their tether, barefoot women hoe vigorously at the potato patches, small boys

le streams and ponds, family parties sit at
the gardens under the young fruit trees.
Mother Russia, long ignored in favor of the
ies of the earlier Communist period, seems
r benevolent and maternal warmth over
ving things together; and only, perhaps, an
stalking through the countryside with his
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ion in the general beneficence of nature

the pursuit of private interest by the city-
pursuit of private interest by the country-
collectivization—the quiet, creeping, cau-
ance of the peasant to the disguised form
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e regime tries to make the peasant work
the peasant prefers to address himself to
ich is left to him to work by himself and
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l practically to kitchen garden dimensions.
It is a commentary on the collective farm
asant can make from his one private cow
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awn up in ignorance of the basic delicacy
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onceived and imposed it were city people,
l process was only a backward and ungla-
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the part of the authors of Bolshevism
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ant house is hardly distinguishable from a
eople's dachas, and since its "private" plot
mer garden of many a part-time urban
mpossible to tell from visible observation
here, subjectively speaking, much differ-
demned like the city man, to work a cer

tain proportion of his time for what amounts to the state, at an inadequate remuneration. Like the city man, he finds relief, both spiritually and materially, by addressing himself with great intensity to the tiny plot which is left to him for his own use. Thus the partial "private sector" that is spread throughout the whole vast countryside of Russia.

The vigor and persistence of this small-scale private economy continues to be a source of concern for the regime, because it has a tendency to absorb both physical energy and emotional enthusiasm which the regime would like to harness for its own purposes. The farther one gets from Moscow the greater the problem seems to be, and the more difficult the control. The "private sector" is not without its own peculiar economic power and influence; and while these advantages are not exploited for any "counter-revolutionary" political purpose, they are exploited wherever possible for purposes of individual self-betterment, and have a tendency to lead to a good deal of connivance and corruption on the part of local officials. In consequence, the public lands and herds of the collective farms have everywhere an incurable tendency to shrink quietly and inconspicuously, the private ones to grow in similar fashion. This sort of thing seems to flourish with particular virulence in the more remote parts of the realm, where people have the feeling, to use an old Russian expression, that "the Tsar is far away." In Georgia, for example, things appear recently to have advanced to a point where the collective farm system hardly existed at all any more, except in name. The regime finally woke up to the full import of what was going on; Beria was reportedly sent down to look after things; severe measures were taken; and the collective farm structure will presumably be put back together again somehow. But this disciplinary operation cannot have been agreeable to a great many influential local figures in that part of the world; it will presumably intensify sectional discontent, and it emphasizes the way in which the growing underworld of individual economic activity operates to widen the breach between the interests and hopes of broad masses of the people and those of the regime.

This spiritual breach between the rulers and the ruled is one of the things that most strongly strikes a person returning to Russia at this juncture after a long absence. Somehow or other, the betterment of material conditions for the mass of the people seems to go hand in hand with a certain sort of withdrawal of these masses from emotional participation in the announced purposes of the regime. This is not to be confused with political [illegible]

this one. It even is attended, I think, by an increasing acceptance of Soviet power and, in general, Soviet institutions as a natural condition of life, not always agreeable or pleasant, sometimes even dangerous, but nevertheless something that is simply "there," like the weather or the soil, and not to be removed by anything the individual could possibly do—something that simply has to be accepted and put up with.

But in this very acceptance of Soviet power as a sort of an unchangeable condition of nature there is also implied the very lack of living emotional and political relationship to it, about which I am speaking. Thirty years ago people were violently for it or against it, because all of them felt Soviet power as something springing from human action, capable of alteration by human action, and affecting their own lives in ways that raised issues of great immediacy and importance with respect to their own behavior. Today most of them do not have this feeling. Their attitude toward it is one of increasing apathy and detachment, combined with acceptance—acceptance sometimes resigned, sometimes vaguely approving, sometimes unthinkingly enthusiastic. In general I think it fair to say that the enthusiasm varies in reverse relationship to the thoughtfulness of the person and to his immediate personal experience with the more terrible sides of Soviet power—such things as the experiences of collectivization, recollections of the purges, or personal unhappiness as a victim of the harshness of the bureaucracy.

It is my feeling that the regime is itself in large measure responsible for this growing emotional detachment of large masses of the people. For one thing, it has rendered itself physically and personally remote from the rest of the population to an extraordinary degree. One had a feeling 15 or 20 years ago of a much greater personal impact of the members of the Politburo on the actual running of the country, an impact which created a certain sense of intimacy between them and their subjects, and even with such of their subjects as were suffering at their hands. More was known and felt by people of the personalities, the views, and the moods of the top rulers. Today, these rulers sit in inscrutable isolation behind their Kremlin walls. For most people, they are only names, and names with a slightly mythical quality, at that. The relatively few changes in personnel in the top bodies in the past 15 years have meant that even that link with the public which is provided by the normal flow of advancement into prominent position of people who once had normal ties with friends and neighbors and co-workers is now largely missing.

processes of public life. The propaganda it addresses to them has an almost contemptuous overtone in the marked differences which distinguish it from the line put out for responsible and serious Communists. In the case of the masses, the appeal is to patriotic motives and the normal obligations of citizenship on the positive side, and to the most primitive and physical type of loathing for the foreigner, on the negative plane. In general, this appeal bases itself very strongly on the relationship between the Soviet—and outstandingly the Russian—population to its external environment. What the regime says to the masses of the people about internal affairs is laconic and perfunctory to a degree that seems almost derisive. It is significant that there is no longer even any five-year plan to serve as a focal point for popular enthusiasm. There are only the so-called "grand construction projects" (velikie stroiki) such as the Volga–Don Canal and the new building of the Moscow University—enterprises which many Soviet citizens can never be expected to see with their own eyes and in which few can ever expect to participate.

These, I repeat, are the only sops thrown to such Soviet citizens as might wish to indulge in enthusiasm over the internal programs of the regime, and it seems to me that the regime does not really care terrifically whether they enthuse about these current operations or not. The proper sources of enthusiasm for the average Soviet citizen, as reflected in the nuances and implications of the positions taken by the Party, all seem to relate rather to the past than to the present, and specifically to the great deeds accomplished in past times by two men claimed to have been of Herculean and almost inhuman stature: Lenin, whose greatness is treated as a historical fact, to be taken for granted, and Stalin, the disciple who outgrew the master, whose greatness merged into divinity, and whose magic, unerring touch caused problem after problem to dissolve into the gold of "the right solution" by the peculiar alchemy of genius and infallibility.

After such great deeds, there is very little left to do, or to say, or to suggest. Challenge grows only out of conflict; but conflict is only a product of social tension. Where social tension has been overcome, where "the right solution" has long since been found, what is there left to discuss, or even to combat?

This is the question which today wracks the labors and deliberations of the Soviet literary and artistic world. It is no accident that in recent months the major debate in Soviet cultural circles has been over the question of the "conflictless" play or novel: the ques-

question was raised some months ago, quite bluntly and unwisely, by a Soviet playwright apparently frustrated to the point of desperation in his search for a suitable conflict to form the subject of drama. Its frightening possibilities were readily perceived by almost everyone concerned; and the party, still pale from the thought of the abyss into which it had been obliged to peer, hastily announced that there were indeed genuine conflicts in Soviet life, explaining that there were always some people more advanced and other people less advanced in the understanding of the work and purposes of Soviet power and that in this disparity lay tensions and conflicts quite adequate to the purposes of any competent playwright or novelist.

Naturally, nobody was really fooled by this prevarication. The fact of the matter is that the bottom has been knocked out of the internal ideological position of the Soviet regime by the immoderate and "all-out" glorification of Stalin and exaggeration of the regime's own successes in the past. A vacuum has been created in this way which it will not be easy for anyone to fill. The country lives today, ideologically, in a species of Wagnerian twilight, characterized by the rosy, ethereal reflections of great deeds once accomplished, breathing an atmosphere of well-deserved relaxation and smug self-congratulation over the tremendous achievements of the parting day. The real reason why Soviet plays are bad plays in the year 1952 is that all have to be written on the assumption that the happy ending has already taken place before the dramatic happenings begin: witnessing them, the western observer has the impression of seeing a family of actors sitting around on the stage after the last curtain has fallen, still congratulating each other on the fortunate outcome of all their adventures, those who were once in error having now seen the light and started on proper paths, the others glowing with a veritable surfeit of rectitude. There can be no real negative characters in the Soviet drama, except agents and dupes of the menacing outside world; for how could such people be produced by the influences of Soviet society alone, which has been correctly conducted for 35 years?

This question runs through all manifestations of Soviet life. It affects the legal system. It causes jurists to argue about the continued causes of criminality in a system where consciousness is supposed to stem from class membership and yet classes are supposed to be abolished. It carries into the debates of the psychologists and the philosophers who wonder whether or not the individual is supposed to be considered a moral being capable of arriving at his own choices between right and wrong. Into every nook and cranny of Soviet life flows the insidious paralyzing influence of this dilem-

ma—the dilemma of a group of men who have officially portrayed themselves as just one bit too successful and too infallible.

By and large the major escape from this situation for the government propagandist and teacher is the "capitalist encirclement." More and more the outside world, and above all the United States, is made to stand as scapegoat for all the genuine deficiencies and conflicts of Soviet society. But this is successful only to a limited degree. By and large, people are too perceptive to permit their emotional world to be absorbed by a thesis which tells them that this is the best of all possible worlds at home and the worst of all possible worlds lies immediately beyond the Soviet border. They shrug off this rather obvious and childish proposition—largely for the reason that it gives them no real help in meeting the genuine problems of individual life that each of them must face. They have heard it too long, it is all too remote and abstract. They need something more earthbound, something more close to home. In these circumstances it is no wonder that their emotional interests turn again to personal relationships, to the providing of greater security for individual and family. It is no wonder that there is a renewed interest in romantic love, and that bobby-soxers now storm the tenors and leading men of the Moscow stage in a manner little less violent than that of the partisans of the popular crooner at home. Above all, it is no wonder that even in the relatively sophisticated and politically-minded city of Moscow one-fourth to one-third of the population is estimated, on fairly serious evidence, to have some sort of religious faith—at least in a degree sufficient to interest them in seeing to it that their children are baptized and their dead do not go unprayed-for to the graves and crematoriums. While the ubiquity of this sort of simple faith is not to be confused with any revival of secular influence on the part of the Orthodox Church (they are two quite different things) it is nevertheless a fact of immense underlying importance.

This type of life—the combination of modest work, modest hope and modest faith—combined with an attitude of cautious detachment vis-à-vis the political power, appears to bring to those who lead it a state of mind which, if not exactly happiness, is also not unhappiness, and is actually not too different from that of working people in any country. Once the individual has detached his own inner life from the world of politics, his joys and sorrows are pretty much the normal ones of life anywhere; and the fact that there are narrow limits to the field in which his ambitions can roam, with respect to both wealth and position, is perhaps rather a source of spiritual health than otherwise.

This reasonably healthy and normal state of the popular mind contrasts quite sharply with what I fancy I see in the faces of the

intelligentsia and at least a certain sector of the more important people in the apparatus of power—with all those people, in short, who might be said to have "pretentions." I have never seen any more subdued, morose, and obviously deeply unhappy people than many of the upper class theater audiences in Moscow. There is a deadness about them that is almost frightening. Most of these actually belong, in all probability, to the upper officialdom. One sees relatively few intellectuals any more in the Moscow theater audiences.

It requires, however, only a slight acquaintance with current artistic and critical literature to see how deeply unhappy the literary and cultural circles themselves must generally be. The long years of purges and censorship have taken their toll in two ways. They have eliminated most of the more sensitive people from the scene entirely. Relatively few of these, I think, have suffered any actual arrest or any punishment worse than a semi-exile in the years since World War II. But many have been in one way or another barred from productive work in their normal fields and from association with other people of like tastes, and many others have voluntarily barred themselves from these things. Those that remain are primarily the political careerists—people whose real profession and source of strength lies in their political collaboration with the regime but who have just sufficient talent, or did have it when they were younger, to pass plausibly as artists, authors, or what you will. Only a handful of writers of any real prestige remain, and these—instead of producing anything of great literary value—vie with each other on the overt level, in blood-thirsty propaganda speeches about bacteriological warfare, and, behind the walls of the Writers' Union in waspish personal duels with one another, conducted in the guise of comradely literary criticism and counter-criticism, but against a background of the most savage party and police intrigue. The result is, of course, that their efforts have relatively little meaning to the wider Soviet public. They come to resemble simply a blind and confused whirling of positive and negative particles around the magnet of the central political power, with occasional minor collisions about which nobody any longer cares. When one sees these people, and indeed all of those whose lives, by virtue of their positions in life, have come to be entirely identified with the shifting shadows of favor and disfavor in the higher ranks of the regime, and when one compares their taut faces with those of the stolid but relatively healthy and happy non-party masses, one is reminded of the words of Dostoevski's Grand Inquisitor: "And all of them will be happy, all the millions of beings, except the hundred thousand who rule them. For we alone, we who guard the secret—we alone shall be unhappy. There will be

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l and evil."
ne more aspect of this division of the classes which is
and of greatest potential importance for the future de-
f Soviet society: that is the relative stability of social
s which has characterized the period since the war. The
in the past five or six years there has been relatively
al purging. The result is that mobility throughout the
power has probably been far less than was formerly
fluence and position have now been retained by the
for a relatively long time. The children of these people
to grow up with a distinct conciousness of caste identi-
re are increasing evidences at present of a stratifica-
y which is attaining a certain firmness, and will not
eak up again. Stratification, in itself, is of course not
t society. It was frequently observed and commented
r thirties and during the war. But this was a relative-
tratification related solely to the holding of office; and
was generally not held very long and life was full of
es and catastrophes, there was little chance for this
to solidify. The years since World War II, however,
brought a certain change in this respect. Social dis-
again becoming important in the relations between
Older people are beginning to complain of "snobbish-
the young. The behavior of different groups of people,
s, begins to reflect not in just the jobs they happen to
oment but their general estimate of themselves and
in the hierarchy of Soviet society.
e of extensive purges, which has had much to do with
is situation, is something well worth noting for a
sons. Among other things, we are forced to conclude
tical concentration camp population in the Soviet
bably declined greatly in the last two or three years.
n no evidence of arrests and forced labor sentences
asons on a scale adequate to maintain the camps at
opulousness they reached in the late thirties and
r. Since many of the victims are, after all, confined
ntences and released after varying periods of time
terms should now be maturing in the case of those
efore and during the war) and since mortality is ex-
among the remainder, the camp population can drop
y and rapidly if arrests and deportations are not
the levels of roughly a decade ago. We cannot even
e Soviet Government is not quietly preparing a situ-

ation in which it will be possible for it to adopt a position, some fine day, that there are no political concentration camps in the Soviet Union, and to challenge some sort of international inspection to prove it. This may not be for a long time, and it may never come entirely; but the absence of evidence of extensive political arrests in recent years for offenses other than those having to do with foreign connections leads me to feel that we ought perhaps to be a bit careful in our propaganda and allegations on the forced labor question and to draw a certain distinction between the satellite areas, where concentration camps and other features of the terrorism of an early revolutionary phase are still prominent, and the Soviet Union, where terror has really done its work so well that arrest and confinement of great masses of people for purposes of intimidation are possibly no longer considered really necessary.

This relative stability in social relationships seems again to stem directly from conditions in the top ranks of the regime: particularly the congealment of personnel at the very top, the stagnation in promotions at the Central Comite level, and the general atmosphere of wary hesitation and inactivity which is no doubt a reflection of the delicacy of all personal-official relationships in the light of Stalin's increasing age and the growing problem of succession. The connection of these things with the growth of social distinctions was clearly symbolized for some of us, the other evening, by the sight of Stalin's son sitting with two other Air Force officers in solitary splendor in the government box at the ballet and ogling the prima ballerina in the best regal tradition. I cannot imagine that this young man conceives of himself as a crown prince. Despite his generals rank, he is not a person of any position on the Party, as far as any of us are aware. I should suppose that any bid for power on his part would set all sorts of fireworks in motion. But the quiet ostentation of his appearance at the ballet is eloquent testimony to the fact that distinctions other than ones of party or police position now have raised their heads and achieved recognition in the Soviet Union and find their crowning expression in the immediate vicinity of the august presence itself.

We have seen that the emotional withdrawal of the mass of the people from an identification with the life and experience of the political power was a reflection of the policies of the government itself. We see that the stratification of social groups in the country likewise has as its origin conditions at the top of the regime. These things, to my mind, warrant our most minute attention. The very essence of the domestic policies of the Stalin regime has been to attempt to abolish the factor of elemental and natural evolution in the development of Russian society—in fact, to abolish change itself except insofar as change might represent one of the deliber-

ate temporary zig-zags of party policy. We now see two changes taking place before our eyes, neither of which was presumably desired by the regime, both of which even bear in themselves considerable potential danger for the regime, and yet both of which the regime has found itself obliged to stimulate. One is the detachment of the people from the supreme political purpose; the other is the growing rigidity of caste stratification in Soviet society.

Both of these phenomena, in deepest essence, are reflections of the life and works of a single man. The first is the reflections of his infinite jealousy and avidity for political power—qualities that carried him to his absurd pretentions to an earthly divinity and actually killed the ideological sense and function of the political movement of which he is the head. The second is the reflection of his increasing age and approaching death. No great country can be identified as closely as this one with the life and fortunes of a single man—so bent and attuned to his personality, his whims and his neuroses, without sharing to a degree his weaknesses and his very mortality. The Party has tried to rule out change; but the Party is hoisted here on the petard of its own lack of genuine democracy, of the loss of organic connection with the emotional forces of the people themselves—of its dependence on, and beholdenness to, the life cycle of a single individual.

I see no early revolt in the Soviet Union. I see no likely dramatic or abrupt ending to the phenomenon of Bolshevism. Least of all do I see in the minds of the people any new or revolutionary alternative to the present system. I cannot rule these things out, but they are not in the cards as they appear to me today. I *do* see that the Party has not succeeded in ruling out change. I see that there are great forces operating here which are not really under the control of the regime, because they are part of the regime's own failings and its own mortality. I see that the original glamour and emotional meaning of the revolution have largely exhausted themselves, and that the regime faces a dilemma in the need for filling the resulting vacuum. I would warn against drawing any primitive and over-simplified conclusions from the observations I have just made. But I think they have sufficient force to stand also as a warning against the assumption into which many people have drifted: that the Soviet leaders have somehow found some mysterious secret of infallibility in the exercise of power and that it is no problem for them to hang on indefinitely and to mold Soviet society to their hearts' desire. What is coming in this immediately approaching period may very well be a crisis of Soviet power quite comparable

in scope and seriousness to the original civil war or the death of Lenin or the purges of the 30's—but entirely different in form.

Very sincerely,

GEORGE F. KENNAN

P. S. Most of this letter was actually written a month ago, before I went to Germany. On reading it over now I have the following two after-thoughts:

1. I have probably given a somewhat exaggerated picture of the role of the private sector in agriculture. The regime claims in effect an extensive reduction in private livestock holdings in recent months as a result of the disciplinary pressures it has brought to bear.

2. I neglected to mention one or two things which support the thesis of the emotional retirement of people into "private life." One is the frequency of drunkenness and delinquency—particularly among young men—both of which are manifestations of "private life," though negative ones. The signs of this seems to me greater than at any time I have been here. Another is the regime's show of concern for what it now does not hesitate to call the "spiritual needs" of people. The very recognition that people have such needs is new in Soviet official thought, and reflects the uneasiness of the regime over the realization that they are losing access to the inner life of people.

No. 518

611.61/8-1152

The Ambassador in the Soviet Union (Kennan) to the President[1]

SECRET Moscow, August 11, 1952.

DEAR MR. PRESIDENT: When I called on you[2] before coming to Moscow you were good enough to say that you would be glad if I would write you from time to time about my impressions here.

I have now been here three months and I have had a chance to pick up something of the atmosphere of the place again and to make comparisons with the times when I was here before, and I thought it might interest you to have a word from me about the main impressions I have gathered.

The thing that strikes me hardest here is the extent to which the Soviet Government has lost contact with the west. There simply is no real channel for any exchange of views; and while we maintain a big embassy here in the middle of Moscow, we are so cut off and hemmed in with restrictions and ignored by the Soviet Government that it is as though no diplomatic relations existed at all. In three months service here I have not yet had a single bit of business to take up with the Soviet Government, except minor housekeeping

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[1]Transmitted to the Department of State under cover of the following letter from Ambassador Kennan to Secretary Acheson, also dated Aug. 11:

"I enclose a letter to the President which I would like you to see before it goes to him.

"I would appreciate it if it might be sent on to the President if you see no objection. Should there be anything in it which you might feel had better not be said in such a communication, I would be grateful if I might be informed and given a chance to revise the letter accordingly."

A memorandum of Aug. 27 from Bonbright to Secretary Acheson, attached to the source text, reads as follows:

"EUR has no objection to the attached letter from Mr. Kennan to the President and suggests that you allow it to go forward.

"I am not particularly happy about the final paragraph, which I don't regard as particularly realistic. Nor do I believe that there is as much talk in the press about the inevitability of war as this paragraph would suggest. I don't think this point is sufficiently important however to warrant an effort to get Mr. Kennan to change it."

The memorandum is endorsed by Acheson "OK DA."

The signed copy of this letter was forwarded to the White House by the Executive Secretariat of the Department of State. On Sept. 3, President Truman sent the following brief acknowledgement of Kennan's letter:

"Thanks very much for your letter of August eleventh about the present condition of our relationship with the Soviet Union.

"Your letter was most interesting and informative and I appreciate your taking the time to send it to me." (Truman Library, Truman papers, PSF Subject file—Soviet Union)

[2]Regarding Kennan's call upon President Truman on Apr. 1, see Document 496.

matters surrounding our attempt to operate an embassy in this city, and the Soviets have shown no inclination to discuss anything with me or to take advantage of my presence in any way.

I attribute this state of affairs primarily to a mood of arrogance and over-confidence which I think came over these people about five years ago and has caused them to feel that they had no need to pay any attention to the views or the feelings of the western governments—a belief that the development of the international situation was going to bring them out on top and in a position to dictate their terms to other people. What they were depending on was not any idea of launching a great military onslaught against the west and defeating everybody in a single military encounter, but rather a long process of development in international life, in the course of which they figured the western side would be weakened by various factors, such as economic difficulties and break-up of colonial relationships. They thought there were good chances that eventually, with the use of their enormous propaganda machine and the sharp tactics of their disciplined parties abroad, they would be able to sow bewilderment and anxiety throughout the western countries, to seize power in some countries, in others to cause people to lose faith in themselves and in us, and eventually reduce us all to a state of relative helplessness. I do not think that they hoped for any early rise of communist strength in the United States; but they did think they could separate our allies from us, leave us an isolated nation with our international position and foreign trade seriously undermined, and thus cause our people to lose faith in their own leadership and their own political institutions and to begin to waste their strength in domestic quarrels and disorders. This, they figured, would mean the end of American influence and power in the world, and would provide some muddy waters in which the American communists might find good fishing.

Today, I think some people here are beginning to have serious doubts as to whether this has been a good policy for the Kremlin to follow and whether it would not have been better to have tried to maintain some sort of polite and decent relations with ourselves and other western governments. But these feelings are still only in the stage of uneasy doubts, and as far as I can see they have not yet caused the regime to alter its attitude. I do not look for any change before our elections, and even then everything will depend on what happens in the international situation. If, for example, communist elements should come out on top in Iran or in Egypt and succeed in disrupting the Middle East and shaking the position of the Atlantic Pact group there—or if things should go badly for us in Western Europe and the Germans and the French fight too bitterly about the Saar,—or if the Soviet and East German authori-

ties should succeed in weakening the positic of the western powers in Berlin and in causing the West Berliners to wonder whether they hadn't been wrong in resisting communist pressures so bravely all this time—if things like this should occur in the next few months, then people here may well conclude that the attitude they have adopted in recent years has been right all along, and they only have to hold on tight and carry on and all will be well for them. But if these things do not happen, and if we can continue to demonstrate to them, as we have done in several recent situations, that we can stand up to them and that they are not going to get anywhere until they stop placing their main hopes in these attempts at sowing subversion and disunity elsewhere and begin to show a desire to treat us decently and talk to us respectfully, then I think we may begin to see changes in their attitude. Then it may become possible to do business with them, slowly and painfully, and perhaps to make some progress toward the gradual and progressive solution of some of our problems—but only one at a time, as and when conditions are favorable, not in any single package of negotiations.

When and if these people come to the point where they are willing to talk to us in a decent way, we will know it: we will see it in their behavior and many things they do. Until they come to that point I think we should leave them strictly alone and not show any signs of weakness or lack of confidence in our own position. And when we get to the point where they indicate they want to have better relations with us, then I would force them to deal with us decently at *all* levels where we have contact with them: that is, in the dealings between this embassy and the foreign office, between our people and the Soviet people in Berlin and Vienna, in the UN, etc. We will be playing their game if we let them insist that nothing can ever be gotten out of them unless we talk to Stalin. What we need are not rare and intermittent conversations with Stalin, interspersed with long periods in which no Soviet official will yield on anything, but orders from Stalin to his officials which will make all of them treat us with greater politeness and circumspection and respect.

I think the first things we should insist upon, as prerequisites to any improvements of our relations, are a cease-fire in Korea and a termination of the violent and dirty anti-American propaganda being put out daily here in Moscow. I have taken the liberty of telling everyone here in Moscow that I think these things are indispensable if we are to begin to reduce tensions and improve our relations with the Soviet Union, and I hope this meets with your approval.

In both of these things, it is the Soviets that must make the first move. But if they ever do make it, I think it is important then that the American press, too, show some sense of responsibility and stop the more extreme types of attack against the Kremlin. In general, I wish our press could be induced even now to lay off the subject of war and avoid publishing material that seems to indicate we regard a third world war as inevitable, since this just plays into the hands of the Soviet "peace" propaganda and frightens our friends more than it reassures them.

With best personal regards.

Very respectfully yours,

GEORGE F. KENNAN

No. 519

761.00/8-2052: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

TOP SECRET PRIORITY Moscow, August 20, 1952—6 p. m.

324. Kentel eyes only Secretary (distribution S/S only). Following are reflections on this morning's announcements re convening of party congress[1] which I did not think it was wise to send by other channel. Must ask Dept to regard them as submitted only for personal knowledge and reflection of top persons in Dept and Govt. Would regard any leakage these comments on my part as extremely unfortunate.

Cannot stress too strongly importance of what may lie behind these developments, particularly coupling of convening of party congress with measures looking toward abolition of Politburo.

There is no question but that delay in holding party congress was for long delicate and painful issue within high party circles; in particular Zhdanov's reproach to Tito, in Cominform letter, for failing to hold party congress was unquestionably meant to cut both ways and may well have been intimately connected with circumstances of Zhdanov's demise.[2] Fact that it has now proved possible

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[1]On Aug. 20, Stalin announced that a recent plenum of the Central Committee of the Communist Party of the Soviet Union had decided to convene the Nineteenth Party Congress on Oct. 5.

[2]Andrey Andreyevich Zhdanov, member of the Politburo and Organizational Secretary of the CPSU, who died in Moscow on Aug. 31, 1948. Regarding his death, see telegram 1868 in *Foreign Relations*, 1948, vol. IV, p. 916. Zhdanov's "Cominform letter" appears to be a reference to his letter of Apr. 16, 1948, to Marshal Tito, one of the exchanges in the rupture between the CPSU and the Yugoslav Communist Party.

to convene congress means that something must have given in last few months in Sov internal situation. Coupling of convening of congress with announcement of abolition of Politburo and estab Presidium of Central Comite would tend to confirm that whatever it was that "gave" had something to do with Stalin's personal position and/or relations among top members party.

We have not slightest evidence of any recent changes in composition of existing Politburo or any substantial alteration in mutual rels of leading members. Molotov's appearance as leader of Sov del meeting Chi,[3] plus Malenkov's designation to render Secretary's report at coming congress (which Stalin rendered at last one) would seem to indicate both these key figures are on hand, functioning normally and in good standing. There has been no sign, as yet, of any purge or major displacement among top circles of party. This seems to me to indicate that issue has been primarily one not of rivalries within top group but rather of Stalin's relationship to remainder of ruling group, altho this judgment is highly tentative and should be taken only with greatest caution.

Three hypotheses would seem to fit what is evidenced by these developments:

1. Congress may be conceived as occasion for some sort of nominal retirement on Stalin's part, but one which would leave unchanged his position of dominant influence and ascendancy in party. I have never believed Stalin would voluntarily accept risk of indicating his wishes as to identity his real successor during his own lifetime, since this would represent virtual splitting of supreme power with great personal danger to himself. It is unthinkable, furthermore, that he should cease to be a member of highest party body during his lifetime, unless he were to be forced out by successful hostile group. Thus, if Stalin becomes member of new Presidium but does not take chairmanship, it may be that move, while not affecting his position of real supremacy, is conceived as means of emphasizing his retirement from position of personal operational responsibility and increasing collective responsibility of highest party body in determination of policy and conduct of affairs. This has been presaged by official language of recent months

[3] A Chinese governmental and military delegation headed by Prime Minister Chou En-lai visited Moscow, Aug. 17–Sept. 22. Negotiations between the Chinese Delegation and Soviet officials began on Aug. 20 when it was announced that discussions would proceed on the general question of Soviet-Chinese relations with particular reference to the problems of economy, defense, and international commitments. On Sept. 15, an official communiqué was issued announcing that the Soviet Union had agreed to return the Chinese Changchun railway but that Soviet troops would remain in Port Arthur until the Soviet Union and China signed a peace treaty with Japan. The communiqué also stated that "important political and economic questions were discussed."

portraying "party and govt" as directing hand of contemporary affairs and Stalin rather as revered teacher and source of inspiration. Collection responsibility of Politburo members may have rendered it difficult in absence of some institutional change to emphasize this shift of status any more than it has already been emphasized, since Stalin's formal position has simply been that of one member of collectively organized body.

2. On other hand, these developments are so far-reaching and amazing we must not exclude possibility, inconceivable as it may sound, that this is the real turning point in Stalin's position within party, that he is person who has been opposing convening of congress all along, knowing he could not in present conditions command majority, and that present announcement reflects final and carefully prepared victory in Central Comite over Stalin by tightly knit group of subordinated, embracing Malenkov, Beriya and Molotov together, who found it easier to get rid of Politburo as institution than to face difficulty of removing Stalin and his minor favorites from it, and have therefore, forced thru creation of new body, which will have to be elected *a priori*, thus providing possibility for reshuffling leading group without facing unpleasantness of making removals from Politburo. This is, in fact, hypothesis that best meets test of application to developments announced today; but it is so fantastic in its implications, and so out of accord with more basic and long term evidence, that I find it extremely hard to accept it and urge greatest caution and reservation in judgment on this point.

3. Third possibility is that presence of [*in*] Politburo of several persons either aging or ill-favored (such as Voroshilov, Shvernik, Andreyev) has become real problem, since honorable retirement from that body has never been regarded as a conceivable procedure; and that to avoid necessity of removing these people, which would cause fuss and present problems their future status, Stalin himself has decided to abolish body entirely and create new one to which problem children could simply fail to be elected. However, this hypothesis fails to satisfy me in several respects. In particular, I doubt Stalin would have taken step so drastic as abolition Politburo without giving most careful, and probably decisive, consideration to question his personal position in coming years, which he cannot fail to recognize as one of recreating connection with day-to-day control of affairs.

There is not evidence that any of this has any relation to foreign affairs at the moment. Mere fact that Chi del, obviously placing heavy demands upon attention Politburo members, was permitted come to Moscow at this time, would indicate foreign affairs has not been vital issue in connection with developments announced today.

In any case, would warn against any tendencies to see in these events hopeful signs from standpoint of US-Sov relations and East-West conflict. We must assume that today's announcements represent latter phases rather than beginning of whatever internal crisis may have led to them and that whoever is in driver's seat in this country today has been in that seat long enough to direct careful and inevitable time consuming preparations for delicate and important operations in internal polit field presaged in today's announcements. But there is no evidence whatsoever that the hand which has guided Sov pol in recent weeks is one animated by anything other than deepest malevolence toward US.

KENNAN

No. 520

761.00/8-2152: Telegram

The Ambassador in the Soviet Union (Kennan) to the Department of State

TOP SECRET Moscow, August 21, 1952—noon.

329. Kentel. Eyes only Secretary. Distribution S/S only. In addition to hypotheses put forward mytel 324, August 20[1] there is one more might be mentioned: Namely, that change will be in name only, membership of new Presidium being same as that of present Politburo and with Stalin himself taking chairmanship or with no chairman at all. This wld leave open, however, question why traditional body, anchored in history and consciousness of revolutionary movement and intimately associated with Stalin himself, should be abruptly abolished at inevitable cost considerable nervousness and speculation within Communist world, for so little result. It must be borne in mind this move will cause much consternation and questioning among satellite Communists, who we may be sure had no advance notice of it. They had for most part modelled their party institutions on those of Soviet Union, and Stalin's personal leadership has most important implications for them. They cannot fail be shaken by any mysterious and abrupt changes this nature. For these and other reasons am reluctant to believe move is solely matter of name and has no deeper reason. Seems to me delicate implications this change are borne out by failure party leaders up to this time to give any explanation or comment that could aid others

[1] *Supra.*

in interpretation of move. If move were merely change of name, cannot see why this mystification should be necessary.

KENNAN

No. 521

611.61/8–1552

The Ambassador in the Soviet Union (Kennan) to the Deputy Under Secretary of State (Matthews)[1]

SECRET AND PERSONAL Moscow, August 25, 1952.

DEAR DOC: With respect to the recent reception of the new French Ambassador, M. Joxe, by Stalin,[2] I wish to tell you some things which were communicated to me in strictest confidence about the interview. M. Joxe attached such importance to the close holding of this information that he did not permit his Counselor to tell O'Shaughnessy about it and has asked that I keep it strictly for myself here in Moscow, which I am doing.

I have already wired about the circumstances of Joxe's receiving the appointment,[3] which I understood did not need to be so closely held within this Mission. It will be seen that the initiative was in reality that of the Soviet Government primarily, since Joxe's polite reference to his being at Stalin's disposal in no sense obligated the Soviet authorities to arrange an interview. The fact that they took this step, knowing that the British Ambassador's request for an interview had remained without reply, surely meant that they felt they had special reasons for doing this. I think that this may have been in part intended as a reproach to me or a means of embarrassing me, by conveying the implication that had I made a similar request I also would have been received. Please note that I do not feel this is proof that such a request on my part would have been granted. But I think that the Soviet authorities saw in Joxe's arrival, and in his perfunctory suggestion about seeing Stalin, an opportunity for placing on me the onus of not having asked.

I am quite content with this situation and only plead that everyone keep quiet and let me play it my own way here, as far as interviews with Stalin are concerned. What these people need is to be left alone for a while and taught that other people are capable of

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[1]The source text bears the following handwritten marginal notation: "Shown to Bruce Bonbright Barbour Aug 29, & Sec".

[2]An account of the meeting is in telegram 346 from Moscow, Aug. 23. (651.61/8–2352)

[3]In telegram 345 from Moscow, Aug. 23. (651.61/8–2352)

doing without them, and I am quite sure that when the proper time comes for me to see Stalin (and this might be at any time for any number of reasons) my usefulness on that occasion will be enhanced, rather than otherwise, by virtue of the fact that I have refrained from bothering him until I really had something to talk to him about.

To return to the Joxe interview. Stalin began by asking him what he had seen of Moscow and when Joxe mentioned the Moscow subway, Stalin took up this subject with enthusiasm, said that he had ridden on the London subway in 1907 and found it "dirty", and insisted (erroneously) that construction of the Paris subway had begun in 1908. Joxe had the impression that what was going on here was a deliberate attempt on Stalin's part to show a degree of detailed knowledge on this subject that would impress and astound his visitor.

Stalin then asked Joxe whether the latter thought de Gaulle was happy, in retrospect, over his action in signing the Franco-Soviet Pact.[4] Joxe replied that he could not speak for de Gaulle, that de Gaulle was not a friend of the present government. Talk then turned on the Atlantic Pact, which Stalin mentioned as an aggressive instrument of the United States, and, as the French understood it, Iceland. Joxe was understandably bewildered at this reference and asked whether Stalin was referring to U.S. bases on Iceland. The answer was no, he was referring to Iceland's membership in the Pact. Joxe had the impression that Vyshinski was himself somewhat taken aback and bewildered at this statement on Stalin's part. When Joxe insisted that the Atlantic Pact was only for defensive purposes, Stalin turned to Vyshinski and said to him with an air of great seriousness, "Then there is no reason why we should not belong to it." When Joxe, however, pointed out that the U.S.S.R. was part of a world-wide security structure, namely the United Nations, Stalin merely laughed cynically and unpleasantly.

When asked what he expected to do here in Moscow, Joxe replied that he hoped to acquaint himself particularly with cultural life in the Soviet Union and trusted that he would be permitted to see various things such as the new university, etc. At this, Stalin turned to Vyshinski and asked sharply: "Who is preventing him?" This being translated for Joxe, he hastened to say that he had had no difficulties thus far and merely wanted to express the hope that he would be permitted to see these things.

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[4]Concerning the visit of Gen. Charles de Gaulle, then Head of the French Provisional Government, to Moscow on the occasion of the signature of the French-Soviet Treaty of Alliance and Mutual Assistance on Dec. 10, 1944, see telegram 4770 from Moscow, Dec. 11, 1944, *Foreign Relations*, 1944, vol. IV, p. 937.

Stalin terminated the conversation in a rather strange way by saying that he was the host (apparently meaning he was at M. Joxe's disposal) but that if the Ambassador had nothing further to say to him, the interview might be considered as ended.

The French found Stalin showing his age very markedly. They said that his hair was noticeably thin compared to his pictures, his face shrunken, his stature much smaller than they had expected. They had the impression that he moved his left arm only with considerable difficulty and that his bodily movements were in general labored and jerky. They were struck by the continued brilliance and power of his eyes but felt that otherwise they were confronted by an old man.

Vyshinski, they felt, looked like a "scared rabbit."

After the unpleasantness with the Italians, you can understand that I am extremely anxious that we do not become the source of any information about this. I think it entirely possible that the information will leak, again, through French sources and that when this occurs we will again be placed in an embarrassing position. For this reason I think you may wish to take steps to keep the record straight with regard to the day of receipt and subsequent control of this letter. My suggestion would be that since it contains no information which is needed by people in our Government for operational purposes it be shown only to two or three other people, the original can be kept by yourself and no copies made, or that some similar arrangements be made whereby we can protect ourselves in case of leaks.

I hope in the next few days to be able to write a general paper on Soviet foreign policy and intentions, the primary function of which, as I see it, would be to brief in advance of the event those gentlemen with whom I am to have the pleasure of meeting in London in the latter part of September.[5] This would make it unnecessary for me to take up time with background considerations and to deal directly with the more immediate and detailed problems of the agenda. But this will also represent my first real report on this most important of subjects, the most important from the standpoint of my work here, and I hope that it will be of general value in the Department and throughout the Government. I shall write it with the consciousness that if it is to be widely enough distributed in Washington to do any real good as a basic document it will also probably leak at some stage or other. If I carefully allow for this possibility, then you will not have to feel so inhibited on its distribution, and I hope it will help us to get on with the important

[5]Reference is to the Chiefs of Mission meeting at London, Sept. 24–26; for documentation, see vol. VI, Part 1, pp. 636 ff.

decisions I feel we are going to have to make within the next six months.

Very sincerely,

GEORGE F. KENNAN

No. 522

Bohlen papers, lot 74 D 379, "Personal Correspondence 1952–1953"

The Counselor of the Department of State (Bohlen) to the Ambassador in the Soviet Union (Kennan)[1]

PERSONAL AND SECRET [WASHINGTON,] September 19, 1952.

DEAR GEORGE: Hugh Cumming who is going to London will give you this letter.

I plan to leave New York on Sunday, September 28, and arrive in Paris on Monday morning, September 29, if this will ensure my meeting you there.[2] If there is any change in your present plans, as I understand them, please send me a wire immediately and I can shift my schedule accordingly since the whole purpose of the trip is to meet you and Paris seems the easiest for both.

With reference to your letter on the Father Walsh business,[3] I feel it would not be wise to send it to the *New York Times* since the subject involved is one on which mankind has argued for many centuries. As you know, all of us here have been in full agreement with your idea of sticking entirely to your business as Ambassador

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[1]The source text bears no signature.

[2]The meeting appears to have been subsequently rescheduled for Oct. 1.

[3]The letter by Kennan cannot be further identified. Presumably it was a response to a paragraph in a letter of Aug. 2 from Bohlen. The paragraph reads as follows: "You may have seen in the press or will when they reach you that Father Walsh [Father Edmund Walsh, Vice President of Georgetown University] at Colgate's conference on American foreign policy took issue with some of the statements in your book [*American Diplomacy, 1900–1950*] concerning the use of moral judgments etc. in international affairs. I spoke at the same meeting but, unfortunately, could not wait over for Father Walsh's talk. President [Everett] Case [of Colgate University] suggested that I send you a copy of what he actually said rather than incomplete press reports. In travelling up with Father Walsh he told me that with great regret he felt compelled to take issue with you on this moral question. I told him that I thought you were not speaking about basic moral considerations but rather at the tendency in this country to substitute moralistic slogans and inspirational literature as reasons for the behavior of states and as guides to our actions. Walsh said this was possibly true but he felt that your book was subject to the other interpretation. Of course, a good part of this is established Catholic doctrine but, as you know, that part of your book has caused considerable comment and may be subject to the interpretation Walsh puts on it. In any event, I think you would like to see exactly what he said. There is no further comment in the press so there is no public controversy over the matter." (Bohlen papers, lot 74 D 379, "Personal Correspondence 1952–1953")

to the Soviet Union and I honestly believe that a subject involving so much theology and metaphysics as that of moral law would raise considerable controversy in church and other circles here. We can discuss when I see you how is best to get this to Father Walsh. I am rather of the belief that it would be better if I delivered it personally to him but I don't feel there is any great hurry and it can await my return. If you feel otherwise after talking to Hugh, send me a wire and I will send the letter to Father Walsh before I leave.[4]

My only other comment is on the Soviet reaction to NATO despatch[5] which I have only just read once and will wish to study further. While, as you know, I fully share your view that a somewhat distorted picture of Soviet military intentions and possible capabilities has grown up in the Western world in recent years, I would date that from the Korean attack and not to the original concept of NATO. As I recall it, the original concept of NATO was in no case based on any belief that the Soviets were about to embark on military aggression in Europe. In fact, if my memory is correct, it was clearly seen as a political move designed to give the Europeans through association with the United States some sense of confidence and security which left to themselves they so clearly lacked. You will recall that the original impulse for the North Atlantic Treaty came from the British and French, and particularly the former after the conclusion of the Brussels Pact. The very small amount of military force envisaged and the limited degree of MDAP assistance in the period before Korea I think makes it plain that no one concerned had any exaggerated ideas of the imminence of a Russian military attack. It seems to me therefore that a truer statement of your view, which I don't contest is applicable to the last few years, would be that the North Atlantic Pact was correctly and, if anything, too modestly conceived from the military point of view but that an erroneous interpretation of the meaning of the North Korean attack from the point of view of Soviet general policy subsequently led the Western nations, headed by ourselves, to overemphasize the purely military features and the probability of a Soviet recourse to open aggression in Europe. I believe, however, that events have done a good deal to mitigate that sentiment and possibly now the danger is over on the other side, namely, that under no circumstances need we fear Russian military action on the continent of Europe.

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[4]No further correspondence on this matter has been found in Department of State files.

[5]Reference is to despatch 116 from Moscow, Sept. 8. (661.00/9–852)

One other small comment: I believe the Russian coup in Czechoslovakia was engendered equally if not more by the certain knowledge that in the planned elections in the Spring of 1948 the Communists were going to take an awful licking and that therefore the element of Soviet control in the affairs of the country were going to be watered down to a point dangerous for Soviet interests. I understand exactly what you mean because it is one of the fundamental things that we have both accepted about the Soviet Union against which these thoughts must be placed. However, to those who have not had this background and therefore don't have in mind these fundamental aspects of the Soviet system, this despatch could be misinterpreted, even though erroneously, as putting forth the view that much of Soviet aggressive action in recent years has been provoked or caused by our counter defensive measures which still in relation to the Soviet military machine, whatever its quality may be, are inferior. I mention this thought simply to point out the type of misunderstanding you might run into, particularly on the part of the military, at the London meeting.

I am looking forward very much to a chance to talk to you as the subjects are innumerable.

Yours,

No. 523

Editorial Note

The new Soviet Ambassador to the United States, Georgiy Nikolayevich Zarubin, made an initial protocol visit on Secretary Acheson on September 18. Ambassador Zarubin, accompanied by Boris Ivanovich Karavayev, called to present copies of his credentials and to request an appointment with President Truman. The brief memorandum of conversation by Chief of Protocol John F. Simmons records the course of the meeting as follows:

"During the course of the conversation, which was of a general nature, the Ambassador said that his wife was not with him, giving no indication as to whether or when she might arrive. I told the Ambassador, before he departed, that I would be seeing him here from time to time.

"No matters of a political nature were discussed." (Secretary's Memoranda of Conversation, lot 64 D 199)

Ambassador-designate Zarubin had called upon Ambassador Kennan in Moscow on September 4, before Kennan's departure for the United States. Kennan's very short telegraphic report on the meeting explained that the "conversation was entirely innocuous

and non-polit." (Telegram 431 from Moscow, September 4; 123 Kennan, George F.)

Ambassador Zarubin called upon President Truman on September 25, and presented his credentials. For texts of the formal exchange of remarks on this occasion, see Department of State *Bulletin*, October 6, 1952, page 515. No other official record of the Ambassador's call has been found. The accounts of the visit reported by the news media indicate that Ambassador Zarubin took the opportunity to deny the existence of a propaganda campaign against the United States.

No. 524

123 Kennan, George F.: Telegram

The Ambassador to the Soviet Union (Kennan) to the Department of State[1]

CONFIDENTIAL NIACT LONDON, September 26, 1952—5 p. m.

1782. I have just seen somewhat garbled but generally legible text of *Pravda* attack on myself[2] and wish to give Dept at once following initial reactions:

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[1]Transmitted via the facilities of the Embassy in the United Kingdom; repeated for information to Moscow. Ambassador Kennan was in London for the Chiefs of Mission meeting.

[2]*Pravda*, on Sept. 26, carried an article which was highly critical of Ambassador Kennan. The text of the article was transmitted in telegram 566, Sept. 26, repeated to London as 77. In telegram 567 from Moscow, Sept. 26, repeated to London as 78, Chargé McSweeney commented as follows:

"Superfluous for me to comment on long-term significance vis-à-vis Sov West relations publication attack on you today. That it is result highest level decision and probably authorship confirmed by fact the Shapiro stories which remarked that attack on Amb still accredited and active is unprecedented passed Sov censorship in fifteen seconds. This, of course, cld only happen if authoritative specific instrs had been issued in advance." (123 Kennan, George F.)

At his press and radio news conference on Sept. 26, Secretary Acheson commented on the *Pravda* article. The official record of the conference reads as follows:

"A correspondent informed the Secretary that the Soviet Communist Party newspaper *Pravda* had devoted a column today to the denunciation of Ambassador Kennan, who was now in London. Then he asked if that had been taken into consideration in his return to Moscow. Mr. Acheson said that the article had been read to him just about five minutes ago. He stated that it seemed to him a wholly unjustified and improper attack on Ambassador Kennan. He went on to say that what Ambassador Kennan had said was a very calm description of what life was like in Moscow, a condition which the Ambassador and all other diplomats deeply regretted." (Secretary of State—1952, Press Conferences)

An unedited version of Acheson's comments were transmitted in telegram 2202 to London, Sept. 26, for Kennan, and repeated to Moscow as 354.

1. Press stories which were evidently immediate hinge of Soviet attack were apparently ones based on statements made by myself to reporters present at Berlin airport on Sept 19 when my plane touched there en route Moscow to London.[3] These remarks were not volunteered but were made in reply to inquiries of reports as to whether there had been any relaxation in position of the foreign diplomats in Moscow and treatment accorded them. I replied frankly and unhesitatingly to this query because I have never considered that there was anything secret from our standpoint about details of regime of isolation applied to foreign diplomatic corps by Soviet Govt and because I feel it, in fact, essential to proper understanding of Soviet-American relations by our people and world public that they realize position in which foreign representatives in Moscow are held. I have only seen one press account based on these statements, namely that of the Paris *Herald Tribune*, which struck me as unfortunately worded and giving somewhat sensationalized version of what I had said, but basically not incorrect.

2. In addition to reply to questions about isolation of foreign diplomats, I told correspondents that I had seen no evidence as yet of any Soviet desire to improve our relations and felt that as long as violent anti-American campaign continues and there was no ceasefire in Korea, we had to assume that no such desire was present. This statement, I may note, was in accordance with line which I had informed the President, in recent letter to him,[4] that I proposed to take. From ticker story, *Pravda* did not mention this statement implications of which were really of much greater importance than one they seized upon.

3. Dept can depend upon it that this sort of attack has background far deeper than particular interview in question and reflects ulterior motives. These statements are little different from ones that I and other Ambassadors have made on many occasions without any public reaction whatsoever from Soviets. Had this story not been seized upon by them, it wld have, and in fact already had, passed practically unnoticed in world opinion. On question of where real motivation this attack must be sought, suggest following reflections:

a. There is good reason to suppose, and some evidence to support supposition, that my acceptance as Ambassador was originally strongly controversial question within Soviet hierarchy, and was finally carried through over opposition of certain powerful elements.

b. It is plain that some elements in hierarchy, probably police, have never forgiven me for humiliation they suffered on V-E Day

[3]For the Ambassador's personal account of the interview at Tempelhof Airport in West Berlin, see Kennan, *Memoirs, 1950–1963*, pp. 158–159.

[4]Presumably a reference to Document 518.

1945 when US Embassy, of which I was then in charge, became subject of fourteen hour uninterrupted enthusiastic popular demonstration which police proved powerless to disperse. This is reflected in raking out Parker's familiar story in present attack.[5]

c. Incident which occurred in June, in which I was approached by obvious provocateur, made it evident that even at that early date certain circles had not reconciled themselves to my presence in Moscow, and were resorting to characteristic means in attempting to compromise me.[6]

d. Soviets are resentful of what they feel to have been vigorous reaction on my part to anti-American propaganda campaign.

e. They resent position I occupy in Moscow diplomatic corps and extent to which other chiefs of mission look to me for guidance and interpretation.

f. In general, they are uncomfortable about having in their minds anyone with long background and experience in Soviet affairs whose memories and acquaintances go back farther than it is wise for even Soviet memories and acquaintances to go.

g. Most important, I am reasonably confident, on basis of series of clues and indications, that my presence in Moscow was unwelcome in some quarters precisely for the reason that my position was known to be relatively moderate and conciliatory one, against which political line now being followed by Soviet regime wld in long run prove not effective, and this was regarded with alarm by elements now dominant in party, who had committed themselves extensively to this line. These people want me out of Moscow because they feel that if time shld come when I wld have occasion to talk to Stalin the results of such discussions wld not only prove disrupting to policies they have been urging, but wld also reveal extent to which they have consistently misinformed him about outside world over course of several years. In other words, I am unfortunately convinced, and I think other observers in Moscow wld bear me out in this, that my presence in Moscow has been all along a domestic issue within Soviet hierarchy and has recently been placing strain on present policy lines which dominant group is unwilling to tolerate further.

4. I naturally regret that this has happened and feel in some measure to blame for having perhaps provided Soviet leaders with handle more convenient than they wld otherwise have had to make my position there impossible; but feel that against this background, emergence of some such story and attack wld probably have been only matter of time. Actually, pretext seized on by them was extremely thin one, for statements they cite against me will be recognized by everyone in Moscow, including Soviet citizens, as notoriously and grimly true. Present really fantastic regime of isolation of resident foreigners has evidently been encountering palpable ob-

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[5]*Regarding this incident, including the role of the English journalist,* Ralph Parker, see Kennan, *Memoirs, 1925–1950,* pp. 240–245.

[6]Presumably reference is to an incident in July 1952, reported upon in telegram 41 from Moscow, July 6. (761.00/7–652)

jection and resistance from some internal Soviet circles as well as from foreigners themselves and I suspect its sponsors are under some strain to maintain it. They may well recognize me as focal point for this strain, and feel that if I remain there I will continue to increase their discomfort on this point.

5. In light this attack, I think I shld certainly not return to Moscow at this time but shld be ordered back, on completion of my present series of consultations in W Europe, for purposes of consultation with Dept. My absence cld then be prolonged as long as might be deemed desirable. This wld not be in any way unusual from Moscow end, since many chiefs of mission there spend extended periods away from their posts and not more than half of chiefs of mission are normally in residence at any one time. I see no reason for haste about any of this. Emb is in reasonably good shape and can be ably handled by officers now assigned there. My presence there is not required for any purpose of liaison with Sov Govt. Formal retention of my status as Amb will render unnecessary any further decisions for time being about filling post. Remaining questions can be discussed in Wash after smoke has cleared away.

6. If I am not to return on Oct 7, it will be necessary for me to have my family also leave Moscow temporarily as problems of occupying space in present circumstances are too much for them to handle over longer period without my help. Their departure will cause some press comment, but I think we can easily ride it out by saying their future plans will depend on my own. Whether I shld go back and fetch them or whether I had better not return at all even for short visit is something on which my mind is open and I wld appreciate Dept's views.

7. My own immediate plans call for me to proceed Sunday[7] to Bonn for consultations with Donnelly and others on Berlin; Tuesday and Wednesday in Paris for consultation with Bohlen and Ridgway; latter part of next week in Geneva, where I had planned to meet Thompson to discuss Austrian situation, after which I had expected to make return journey to Moscow, Oct 6 and 7. Unless Dept desires it otherwise, I shall proceed with these plans up to and including Geneva. As to plans for return to Moscow, I shall await Dept's instructions.

8. Separate message fols on press coverage.[8]

KENNAN

[7]Sept. 27.

[8]Telegram 1781 from London, Sept. 26, concluded that the Secretary of State's statement (see footnote 2, above) disposed of the need for any further comment on the *Pravda* article. (123 Kennan, George F.)

No. 525

123 Kennan, George F.: Telegram

The Chargé in the Soviet Union (McSweeney) to the Department of State[1]

TOP SECRET NIACT Moscow, October 3, 1952—5 p. m.

612. Embtel 607 to Dept, Oct 3, rptd Geneva 4.[2] After Vyshinski read to me the note, I informed him I would, of course, transmit it to my government immediately and added that it was my personal opinion that it would have been more appropriate for Soviet Government to have transmitted this communication in this way before publishing an article on same subject in *Pravda*.[3] Vyshinski's reply was that the matter had been published in West Germany and that Soviet press naturally had reacted. I remarked that I could not agree that Ambassador's statements were either false or inimical to Soviet Union. Vyshinski replied that no one's activities are restricted in Soviet Union and he felt that I had a very peculiar concept as to what is and is not inimical. His country had been called a fascist country and an unacceptable analogy had been drawn. He concluded that further discussion of this point was purposeless. I mentioned that the Ambassador's family is still in Moscow; Vyshinski admitted that he was aware of this fact. I continued that I should like to know whether the Ambassador's plane, which ordinarily is permitted entry into Soviet Union only in connection with Ambassador's travel, would be allowed in for purpose of transporting the Ambassador's family out of USSR. Vyshinski said that Soviet Government would have no objection to Ambassador's return if he wished to come here to fetch his family. I pointed out that the Ambassador might not wish to return, and again repeated the question re plane. Vyshinski attempted to evade question by stating that this matter would have to be discussed separately. For third time, I reiterated my question and Vyshinski replied that he could in a "preliminary way" express Soviet Government's consent to entry of the plane for purpose of transporting the Ambassador's family out of Soviet Union, without the Ambassador having to be abroad.[4]

McSWEENEY

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[1]Repeated for information to Geneva for Kennan.

[2]Telegram 607 transmitted the text of the Soviet Foreign Ministry note of Oct. 3 described in the editorial note, *infra*.

[3]Reference is presumably to the Sept. 26 article in *Pravda* discussed in telegram 1782, *supra*.

[4]Regarding the transportation of the Ambassador's family out of the Soviet Union, telegram 636, Oct. 9, reported as follows:

Continued

No. 526

Editorial Note

In a note handed to Chargé John M. McSweeney on October 3 by Soviet Foreign Minister Andrey Yanuaryevich Vyshinsky, the Soviet Government declared Ambassador George F. Kennan *persona non grata* and insisted upon his immediate recall. For text of the Soviet note of October 3 as translated into English, see Department of State *Bulletin*, October 13, 1952, page 557. The Soviet Government took the position that the action was necessary because of the statement to the press made by Ambassador Kennan on September 19 at Tempelhof Airport in West Berlin in which the Ambassador allegedly made "slanderous attacks hostile to the Soviet Union in a rude violation of generally recognized norms of international law". Regarding the Ambassador's interview at Tempelhof Airport, see Document 524. For an account of Chargé McSweeney's receipt of the note of October 3, see telegram 612, *supra*.

In a statement issued to the press on October 3, Secretary Acheson rejected the allegations made in the Soviet note of October 3 and added the following:

"Ambassador Kennan is recognized not only in this country but throughout the world as a man deeply versed in knowledge of the Soviet Union and sympathetic to the legitimate aspirations of the Russian peoples. There is no doubt that the request of the Soviet Government reflects their knowledge that the factual statement Ambassador Kennan made in Berlin on September 19 will be recognized in most parts of the world as a truthful one.

"The reasons given by the Soviet Government for requesting the recall of Ambassador Kennan are that he had violated 'generally recognized norms of international law'. This comes from a Government which has itself, over a period of years, created practices in international intercourse which violate the traditions and customs of civilized peoples developed over generations, and which adversely affect efforts to maintain good relations with the Soviet Government. The Russian peoples themselves must be shamefully aware the foreigners within the Soviet Union are customarily treated by the Soviet Government in ways which are the exact contrary of civilized international usage. The violator of accepted usage is the Soviet Government, which has created the situation accurately described in Ambassador Kennan's Berlin statement.

"Mrs. Kennan left Moscow by Air Force plane at 10 a. m. Embassy staff and quasi totality of non satellite diplomatic corps were present at her departure. Although no reps of FonOff Protocol Section present, airport officials were helpful and courteous." (123 Kennan, George F.)

Ambassador Kennan's own account of his family's departure from Moscow appears in Kennan, *Memoirs, 1950–1963*, pp. 164–165.

"The Soviet Government will be informed of this conclusion. Ambassador Kennan is now in Geneva. He will remain in Western Europe temporarily and will later return to Washington for consultation."

For text of the Secretary's statement (issued to the press as Department of State press release 777, October 3), see Department of State *Bulletin*, October 13, 1952, page 557. The text of this press release was sent to Ambassador Kennan in telegram 269 to Geneva, October 3, repeated to Moscow, London, Rome, and Bonn. In telegram 231 from Geneva, October 5, addressed personally to Secretary Acheson, Kennan replied:

"Deeply appreciate your magnificent support, which is more than I personally deserved. Naturally regret that things took this turn, but feel issues at stake are ones that wld sooner or later have required facing, and that ultimate effect this incident may be healthful." (123 Kennan, George F.)

Copies of press release 777 were also sent to Senator Alexander Wiley of Wisconsin and Representative Robert B. Chiperfield of Illinois under cover of brief letters from Secretary Acheson of October 3 which included the following invitation:

"This obviously raises certain problems in our relations with the Soviet Union which I am most anxious to discuss with you. Will you please let me know when you will be in Washington next." (123 Kennan, George F.)

The text of the press release and the same general message from Secretary Acheson were also sent via the Embassy in Rome to Representative James P. Richards of South Carolina who was traveling in Italy. (Telegram 1471 to Rome, October 3; 123 Kennan, George F.)

Secretary Acheson's statement to the press on the Soviet action against Ambassador Kennan was made at a special press conference on October 3. In the course of that conference, the Secretary denied that Ambassador Kennan was being recalled, indicated that he had no intention of asking for the recall of Soviet Ambassador Zarubin, and stated that no consideration had been given to severing relations with the Soviet Union over the matter or to sending another Ambassador to the Soviet Union. The record of the Secretary's Press and Radio Conference No. 28, October 3, is in Secretary of State—1952, Press Conferences. A paraphrase of the Secretary's remarks was transmitted to Geneva in telegram 268, October 3, for Kennan and repeated to Moscow, Paris, London, Rome, and Bonn. (123 Kennan, George F.)

No. 527

123 Kennan, George F.: Telegram

The Ambassador to the Soviet Union (Kennan) to the Department of State[1]

CONFIDENTIAL GENEVA, October 4, 1952—10 p. m.

230. Deptel 273.[2] Bohlen and I have consulted and have arrived at fol conclusions: It would probably not be desirable for me to remain for any prolonged period of time in Bonn or even for period of some weeks. However, I shall need some days after family arrives in Ger in order to consult with Mrs. Kennan and arrange family matters. Bonn would seem most convenient center for this purpose. After lapse of few days I could then proceed Washn alone or with family or carry out any other instrs Dept may have for me. Bohlen will bring detailed considerations that have entered into this conclusion.

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[1]Transmitted through the facilities of the Consulate General in Geneva, where Kennan was visiting.

[2]Dated Oct. 3, it reads:

"In order to make sure that there wld be no complications in Germany, suggest you discuss with Bohlen and Donnelly proposal that you mentioned to Bruce on telephone for taking house in Bonn for a few weeks." (123 Kennan, George F.)

In telegram 227 from Geneva, Oct. 4, Kennan replied that he would discuss the matter of a temporary residence in Germany with Bohlen and Donnelly. Kennan explained that he wished to complete a certain amount of reporting on Russian matters, including the upcoming Party Congress, before turning to other work. (123 Kennan, George F.)

No. 528

Editorial Note

On October 4, Senator William F. Knowland of California addressed a telegram to Secretary Acheson strongly urging that the Soviet Ambassador be declared *persona non grata* and that recognition of the Soviet Union be withdrawn by the United States Government. The actions would be in retaliation for the Soviet action taken against Ambassador Kennan (see Document 526) as well as the action of the Soviet Union in providing arms and equipment to the North Korean regime. In his reply of October 7, released to the press the following day, Secretary Acheson acknowledged receipt of Senator Knowland's telegram, reiterated the substance of his statement to the press of October 3 (see Document 526), and observed that the breaking of diplomatic relations was a matter of utmost

seriousness with world-wide consequences and was a matter that would have to be carefully considered in connection with a great many factors. For texts of the exchange of messages between Senator Knowland and Secretary Acheson, see Department of State *Bulletin*, October 20, 1952, page 603.

No. 529

123 Kennan, George F.: Telegram

The Ambassador in France (Dunn) to the Department of State[1]

SECRET PARIS, October 6, 1952—7 p. m.

2107. We asked De Margerie[2] today about French thinking on Kennan affair. He replied French Embassy Moscow had from beginning taken view that Soviet reaction would go beyond *Pravda* article.[3] He thought Kennan was being made victim of new Soviet effort to divide western allies, particularly US from others. Russians had recently made obvious efforts in Moscow to be pleasant to French and British while increasing their rudeness to US. French even believed diplomats in Moscow other than American might possibly expect slightly better treatment in near future.

He believes effort to divide west, particularly now that it had been highlighted by Stalin in *Bolshevik* article, would be Kremlin's top priority objective for some time and would be manifested in many ways. Jettisoning of militant Marty and Tillon[4] and adoption of more "bland" Communist line in France was one manifestation. Recent Wehner allegations of secret Franco-Soviet conversations,[5] which Schuman categorically denied yesterday (Embtel 2090, Oct 6[6]), were another. (Incidentally he commented that allegations of such conversations had come not only from Wehner but from various other ex-Communists whose abnormally acute suspicions rendered them in this and perhaps other cases vulnerable to ideas planted by their Communist sources.)

According to De Margerie, Kremlin increasingly impressed by west's strength and unity. Notwithstanding this impression, Krem-

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[1]Repeated for information to London, Moscow, and Bonn for Kennan.

[2]Roland Jacquin de Margerie, Assistant Director General for Political and Economic Affairs, French Foreign Ministry.

[3]See footnote 2, Document 524.

[4]Reference is presumably to the removal from positions in the Secretariat of the French Communist Party of André Marty and Charles Tillon. In December 1952, they were removed from their positions on the Politburo of the French Communist Party.

[5]Reported in telegram 1505 from Bonn, Oct. 4. (641.61/10–452)

[6]Not printed.

lin was nevertheless comforted by dogma of eventual capitalist collapse, and could therefore take very long-term view.

French believe that Kremlin has long felt best chance of breaking west would be through [garble] and Middle East rather than Red Army. It was now adding to these pressures, which were locally profitable but only comparatively long-range in their effect on west, efforts to promote confusion by steadily increasing de-emphasis on its own peaceful intentions plus more vigorous efforts to undermine western unity.[7]

DUNN

[7]Telegram 2048 from London, Oct. 8, reported that Sir Paul Mason, British Assistant Under Secretary of State in charge of the Northern Department, had expressed British Foreign Office thinking on the Kennan affair along lines closely parallel to Jacquin de Margerie's views summarized here. (123 Kennan, George F.)

No. 530

Editorial Note

In accordance with instructions sent by the Department of State, Chargé O'Shaughnessy on October 8 delivered to the Soviet Foreign Ministry a note acknowledging receipt of the Ministry's note of October 3 (see Document 526). The note of October 8 rejected the Soviet accusations against Ambassador Kennan; its substantive paragraphs read as follows:

"Ambassador Kennan's statement accurately and in moderate language described the position of foreign diplomats accredited to the Soviet Government. It is this treatment of diplomatic representatives, systematically applied over a period of years by the Soviet Government, which grossly violates the traditions and customs in international intercourse developed over generations.

"In the light of the above, the United States Government cannot accept the charges made by the Soviet Government as constituting valid reasons for acceding to the request for the recall of Ambassador Kennan."

The text of the note of October 8 was released to the press as press release 790, Department of State *Bulletin*, October 20, 1952, page 603.

On October 13, the Embassy in Moscow received a note of reply from the Soviet Foreign Ministry. As transmitted to the Department of State in telegram 662, October 13, the note reads:

"Ministry Foreign Affairs USSR in reply note of Embassy USA October 8, 1952 considers it necessary state that position of Soviet Govt set forth in note Oct 3, 1952 on question recall Mr. Kennan from post Ambassador USA in USSR remains unchanged.

"As regards assertion contained in Embassy's note re situation foreign diplomats in Soviet Union, this is in crude contradiction actuality and without any sort basis. This arbitrary assertion is groundless attempt justify false statement, hostile to Soviet Union, of former Ambassador USA in USSR Mr. Kennan."

No. 531

711.5622/10-1752: Telegram

The Chargé in the Soviet Union (O'Shaughnessy) to the Department of State[1]

CONFIDENTIAL NIACT Moscow, October 17, 1952—5 p. m.

688. Re urtel 426 Oct 16.[2] I read our note to Pushkin. He replied that our note contains assertions with which the Sov Govt cannot agree. For example the assertions that Yuri Island is not Sov territory. He said that he had no intention of discussing this question now but that Yuri Island as a part of the Kurile Islands was transferred to Sov territory under Yalta agreement. With regard to the note's assertion that the B–29 was unarmed he declared this to be in flagrant contradiction of the facts since it was determined by the Sov fighters that the B–29 opened fire on them after they had demanded that it follow them to the nearest airport.

I remarked that I could not understand how Yuri could be considered to be within the Sov frontiers and Pushkin at once replied "Yuri is Sov territory". I said that the US Govt could not accept this proposition and that we could not regard Yuri as anything but Jap territory under Jap sovereignty and that I know of no existing agreement to the contrary. Pushkin said that he had nothing to add to this question, that it was not open to discussion. Pushkin stated that the note would be studied and that reply would be given after examination. He said that our note was based on two main points (1) that the airplane did not violate Sov territory and (2) that the plane was not armed. He said that it had been established that the Sov frontiers were violated by the plane and that the plane opened fire and "any further comments in the note

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[1]Repeated for information to Tokyo and to the U.S. Mission at the United Nations.

[2]Telegram 426 transmitted instructions for the delivery of the note described in this telegram. (711.5622/10-1652) For text of the note as delivered by Chargé O'Shaughnessy, see Department of State *Bulletin*, Oct. 27, 1952, p. 650. The note protested the action by Soviet aircraft on Oct. 7 in downing a U.S. Air Force B-29 bomber aircraft which carried no bombs and whose guns were inoperative, in the Yuri Island area of Kurile Islands. For text of the Soviet note of Oct. 12, see *ibid.*, p. 649.

which flow from these two untrue statements are deprived of foundation". I said that my govt certainly cannot accept the proposition that Sov frontiers had been violated since the airplane was not anywhere near Sov territory and that since the plane was unarmed it could hardly have opened fire.

Pushkin concluded this fruitless exchange by stating that they rejected the US Govt's protest because it is groundless. He added that he did not doubt that the Sov Govt will insist on its protest.

O'SHAUGHNESSY

No. 532

PSB files, lot 62 D 333

Document Approved by the Psychological Strategy Board[1]

TOP SECRET
PSB D-24

[WASHINGTON,] November 1, 1952.

PROGRAM OF PSYCHOLOGICAL PREPARATION FOR STALIN'S PASSING FROM POWER

1. National policy calls for placing "maximum strain on the Soviet structure of power," reducing Soviet power, and bringing about "a basic change in the conduct of international relations by the government in power in Russia" (NSC 20/4,[2] . . .).

2. One of the most favorable occasions for furthering these objectives may be Stalin's passing from power. This event, however, has important relations to practically every aspect of the Soviet problem. It may touch off a split in the top leadership. It may also lead to the crystallization of present dissatisfactions among various groups in the Soviet population which feel themselves discriminated against.

3. This paper is also relevant to strains that may emerge before Stalin has fully passed from power. For example, since rivalries must be presumed to exist already in the top leadership and Sta-

[1]Transmitted to the Secretary of State under cover of a brief letter indicating that this document had been approved by the Psychological Strategy Board at its 16th meeting, Oct. 30, 1952.

A briefing memorandum of Oct. 29 by Deputy Assistant Secretary Phillips to Acting Secretary Bruce explained that the conclusions of the paper printed here were similar to those reached by a working group studying the same problem in early 1951. Phillips further explained that the original working group was organized in 1951 by the P area of the Department of State at the request of the inter-Departmental Psychological Operations Coordinating Committee (POC). The work was subsequently turned over to PSB working group at the end of 1951. Phillips identified George Morgan as the chief architect of the paper printed here.

[2]For text, see *Foreign Relations*, 1948, vol. I, Part 2, p. 662.

lin's control may be relaxing as he grows older, it is conceivable that the death of one of the principal aspirants to the succession might upset some delicate equilibrium and precipitate a crisis, arising perhaps out of Stalin's efforts to restore balance. It is also conceivable, though unlikely, that Stalin's death may be concealed, both from us and from the people, for some time after the event.

4. There is only a chance, not a certainty, that conflicts related to Stalin's passing from power will bring major changes, and if they do the changes need not be favorable to U.S. interests. The successor regime may be worse than Stalin's, and among remoter possibilities lies general war as well as general collapse. In any case, those conflicts have such weighty potentialities that they call for active preparation on our part. It may also be possible to pave the way, to a modest extent, for their eruption in desirable forms.

5. There are many uncertainties in this field, but three points stand out as landmarks: (1) Stalin must die sometime; (2) strains must be presumed to exist between individuals and groups closely connected with the problem of succession, even if the problem as such is never mentioned; (3) apart from strains now directly connected with the problem of succession, there is evidence of group dissatisfaction throughout the population of the Soviet Union.

RECOMMENDATIONS

6. In the psychological field, preparatory work should be five-fold:

. . . . . .

b. In the light of such insight and within the context of the more probable patterns of future events in general, the principal ways in which important conflicts might develop should be analyzed and corresponding psychological courses of action sketched, as a repeated staff exercise designed to make possible prompt and judicious decisions when the time comes. Since Stalin may die any time, this task should not be delayed for the completion of further work under 6 a above.

c. To avoid uncoordinated action in case of sudden death, an agreed Government position should be prepared at once, as a basis for standby instructions for the period immediately following this contingency.

. . . . . .

7. Each Member Agency and the Director of PSB is requested to name one staff member as principal point of contact concerning the work outlined in paragraph 6.

No. 533

761.5622/11-452: Telegram

The Acting Secretary of State to the Embassy in Japan[1]

TOP SECRET
PRIORITY

WASHINGTON, November 4, 1952—1:52 p. m.

1158. Def has passed State copy Gen Clark's[2] CX 57735 Oct 25[3] re overflights Jap terr by Sov aircraft. Gen Clark states his concern over this situation and his intended courses action. Among others he intends keep you and Jap Govt informed Sov air activities this regard and to auth engagements with unfriendly Sov aircraft over Jap terr. He concludes he is sure situation receiving attn at US Govt level.

Dept has been concerned over repercussions in Jap and elsewhere both of such overflights and succession Sov attacks on US aircraft. Dept wld be inclined concur above courses action; however Jap attitudes this matter not entirely clear here.

For full consideration measures cope with continued overflights, Dept wld appreciate ur comments and suggestions re CX 57735, particularly (1) any Jap reactions to previous overflights and probable Jap reactions to future overflights if US forces make no determined effort to prevent; (2) probable Jap reactions actual engagement or shooting down Sov aircraft over Jap terr; (3) dipl steps which Jap and US Govt shld take in conjunction to protest any future violation Jap terr; and (4) polit desirability citing US-Jap Security Treaty as basis measures to handle continuous violations Jap terr by Sov mil aircraft.

Re (3) Dept assumes Jap Govt wld lodge protest against violation its terr. US Govt might serve as channel for Jap dipl protest to Sov Govt.

Re Security Treaty Dept of opinion Treaty contains no language by which US has "contracted by treaty to protect" Jap terr as stated CX 57735, and that it wld be unwise this case establish precedent or presumption Treaty contains automatic commitment. However, as matter US policy and not because of Treaty obligation US will use every means deny Jap to aggressor. In light these con-

[1]Drafted by Kenneth T. Young, Director, Office of Northeast Asian Affairs, and cleared by Charles C. Stelle of the Policy Planning Staff, Matthews, Bonbright, Walworth Barbour (EE), and Raymond T. Yingling. U. Alexis Johnson signed for Acting Secretary Bruce.

The text of this telegram was also sent to Moscow in telegram 485, Nov. 6, for information and for the comments of the Embassy.

[2]Gen. Mark W. Clark, U.S. Commander in Chief, Far East, and Commander in Chief, U.N. Command in Korea.

[3]Not found in Department of State files.

siderations it may be unwise refer to provisions Security Treaty in this case. Successful interception Sov aircraft cld be publicly justified basis maintenance security US forces lawfully based in Jap pursuant agreements with Jap.

In sum therefore Dept desires Emb views re (1) polit desirability auth engagements with Sov aircraft over Jap terr and (2) most effective way maximizing favorable and minimizing adverse public reaction Jap.

BRUCE

No. 534

761.5622/11-1152: Telegram

The Ambassador in Japan (Murphy) to the Department of State

TOP SECRET NIACT TOKYO, November 11, 1952—1 p. m.

1513. Urtels 1158[1] and 1192.[2] We take serious view of position of US weakness presented to Japan and Far East generally by recent press stories reporting American failure to take strong action against Sov overflights of Jap territory. Following as it does on recent loss of B–29 which apparently was shot down by Sov aircraft, obviously questions arise in minds of thinking Japs as to the firmness of our intentions to defend Japan under Security Treaty. Naturally picture of US as weak and unreliable power is one of the chief Commie objectives in this area.

While I concur in Gen Clark's recommendations[3] re action to be taken by FEAF, I wish to provide Dept with better analysis than we have thus far prepared re Jap reactions to previous overflights etc. Thus far as Dept is undoubtedly aware, info re these overflights has been very closely held and Jap public is not conscious of number of violations committed by Sov aircraft. There is, of course, some small sentiment that the very presence US Forces in Japan is provocative and this prevails as would be expected in left circles. It is my opinion that the bulk of Jap opinion would welcome an indication of firm action on US part. It is also my opinion that Jap reactions actual engagement or shooting down Sov aircraft would be favorable from our point of view and also would stimulate Jap support of rearmament program. I discussed this question informally with FonMin[4] and he agreed.

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[1] *Supra.*

[2] In telegram 1192, Nov. 10, the Department asked for an early response to telegram 1158.

[3] See telegram 1158, *supra.*

[4] Katsuo Okazaki, Japanese Foreign Minister.

Re dipl steps which Japan and USG should take in this connection this will be treated in subsequent tel.

There is no question in my mind of the desirability of citing US-Jap Security Treaty as basis for these or similar measures.

MURPHY

No. 535

761.5622/11-1452: Telegram

The Chargé in the Soviet Union (O'Shaughnessy) to the Department of State[1]

TOP SECRET Moscow, November 14, 1952—7 p. m.

790. Re Deptel 485 Nov 6.[2] We wld appreciate any background info which Dept cld make available on this subject. Pending its receipt the following thoughts have occurred to us here:

1. It would seem desirable that some form of warning against overflights of Jap territory shld be given Sov Govt before engaging Sov aircraft. It might take form of a public statement by Jap Govt or preferably, as suggested in reftel, a formal dipl protest using US Govt as channel.

2. If violations continue Sov aircraft should be forced down by any practicable means. Our authorities in Jap should be thoroughly briefed on treatment of crews, which should be placed in custody of Jap authorities. Jap Govt could then notify Sov Govt, through US diplomatic channel that Sov aviators are interned and suggest suitable arrangements for their eventual release.

3. We believe firm action of this kind would not only be accepted by Sovs but would have a salutary effect on their behavior in that area.

Service attachés concur in the above comments.

O'SHAUGHNESSY

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[1] Repeated by the Department to Tokyo for comment.

[2] Same as telegram 1158 to Tokyo, Document 533.

No. 536

761.5622/11-1152: Telegram

The Acting Secretary of State to the Embassy in Japan[1]

TOP SECRET
PRIORITY

WASHINGTON, November 17, 1952—7:16 p.m.

1246. Embtel 1513[2] re Sov overflights. JCS 923816 to CINCFE[3] authorizes action to intercept, engage, and destroy combat or reconnaissance aircraft in Korea over Jap home islands and Okinawa or territorial waters three miles to seaward thereof which commit hostile acts, are manifestly hostile in intent, or which bear mil insignia of USSR or satellites and which do not immed obey signals to land unless properly cleared or obvious in distress. Unarmed transport aircraft shld be forced down if feasible but not be destroyed.

JCS 923828[4] requests comments re desirability, possible contents and timing public announcement this matter. It also calls attn to State question re accuracy statement in CINCFE's CX 57735[4] to effect US has contracted by treaty to protect Jap terr.

Our comments latter pt fol. Although it publicly stated US pol to protect Jap from hostile attack US in Security Treaty has not "contracted by treaty to protect" Jap terr and it undesirable estab precedent on presumption Treaty contains such automatic commitment. However interception and destruction Sov aircraft can be publicly justified on basis maintenance security US forces stationed in Jap under Security Treaty "to contribute to maintenance of intl peace and security in FE and to security Jap against armed attack from without".

After concurrence CINCFE you are authd inform Jap Govt officially of US policy as set forth first para this tel.[5]

Dept also interested soonest ur and Jap Govt comments re public announcement and prior warning USSR either officially or by

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[1]Drafted by Robert J. G. McClurkin, Deputy Director of the Office of Northeast Asian Affairs, cleared by Joseph B. Phillips and Barbour and Davis of EE, and signed by U. Alexis Johnson for Bruce. Repeated for information to Moscow as 496.

[2]Document 536.

[3]Not found in Department of State files.

[4]Not found in Department of State files; see Document 533.

[5]In telegram 1979 from Tokyo, Dec. 21, Ambassador Murphy explained that he and General Clark had agreed to postpone approaching the Japanese Government on this matter pending the arrival in Japan of F-86 fighter aircraft and the resolution of the complicated Japanese political situation. (761.5622/12-2152)

public announcement. In this connection see Moscow's 790 rptd Tokyo.[6]

BRUCE

[6]*Supra.* In telegram 1603, Nov. 19, Ambassador Murphy "heartily" concurred in the action authorized by the Joint Chiefs of Staff. Murphy did not believe it would be necessary or wise to notify the Soviet Government of the intended U.S. action or to make any public announcement concerning the new policy. (761.5622/11-1952) Telegram 1302 to Tokyo, Nov. 21, drafted and signed by Johnson, agreed that prior announcement of policy or notification to Soviet authorities of intended action was not desirable but that some advantage would derive from a Japanese Government protest to the Soviet Government regarding overflights which had already taken place. (761.5622/11-1952)

No. 537

761.5622/11-2252: Telegram

The Chargé in the Soviet Union (O'Shaughnessy) to the Department of State[1]

TOP SECRET Moscow, November 22, 1952—1 p. m.

813. Tokyo's 21, November 19 sent Dept 1603.[2] We see no urgency in the matter of making a public announcement.

However, we still believe it desirable to give some warning to Soviets for the following reasons:

1. Postwar Japanese Government has not to our knowledge publicly made known its position re overflights. Sovs have consistently and clearly defined their position with regard to unauthorized overflights of their territory. We do not possess full documentation on this point here, but latest exchange of notes with Swedes is a good example. Moreover, we note that a statement made by Vyshinsky to the Swedish Ambassador[3] here May 24, 1952 and published in *Pravda* the next day, contains following paragraph:

Begin Verbatim Text.

"The Ministry also considers it necessary to recall the instruction, in force in the USSR as well as in all other states, by virtue of which when a state frontier is violated by a foreign aircraft and when the foreign aircraft penetrates into alien territory the airmen of the state in question are obliged to force it to land at a local aerodrome and, in the event of resistance, to open fire on it."

End Verbatim Text.

[1]Repeated for information to Tokyo.

[2]See footnote 6, *supra.*

[3]Rolf R. Sohlman.

2. If and when the Jap Government wishes to protest a particular violation of its territory through the channels of the US Government or any other, its legal and diplomatic position will be firmer, more clear-cut and easier to handle vis-à-vis Sov Government. Also, it wld strengthen our hand in the event we might some day wish to take action along the lines of Deptel 504, Nov 21.[4]

3. By giving prior warning, we would avoid placing ourselves in position of Soviets—who shoot and then protest—and would be more likely gain support for our position from other countries. Prior warning would be particularly desirable in this case since both we and Japs have apparently for some time permitted and ignored Soviet flights over Japan.

4. The statement which we have in mind is for purpose of record and could be couched in general terms and cover shipping as well as aircraft. It was never our thought to issue a statement to effect that we intend engage aircraft violating Jap territory.

Re B–29, we believe Soviet Government's repeated warnings re violations of their territory are considered by them as being applicable to case of B–29, in view of Pushkin's statement to me that Soviet Government considered Yuli [*Yuri*] Island to be Soviet territory.

O'SHAUGHNESSY

[4]Not printed.

No. 538

611.6111/12-2352

The Secretary of State to the Director of Central Intelligence (Smith)[1]

CONFIDENTIAL [WASHINGTON,] January 9, 1953.

MY DEAR GENERAL SMITH: I have received your letter of December 23, 1952, concerning restrictions of travel within the United States of members of the Soviet Embassy.[2] I believe from your

[1]Drafted by Stoessel (EUR/EE) and cleared by Barbour, Thurston, and Davis (EUR/EE), Bohlen (C), Matthews (G), Perkins and Bonbright (EUR), Trueheart (R), and the Office of the Science Adviser.

[2]In his letter, Smith noted that Soviet Attachés had extended opportunities to gain important defense information by attendance at American technical conferences and meetings, that it was his understanding that one of the purposes underlying the Department of State's ruling controlling the travel of Soviet official personnel was to restrict opportunities to gather economic and technical information, and urged that technical conferences and meetings in the Washington-Baltimore area

Continued

letter that you may have been misinformed as to the reasons on which our Government's action in imposing restrictions on the travel of members of the Soviet mission was based. The action taken by our Government in regulating the travel of Soviet officials in the United States was intended specifically as a measure of retaliation for limitations imposed upon the travel of American representatives in the Soviet Union, rather than as a measure of security control. This matter is covered fully in Intelligence Advisory Committee Document IAC-D-2/1, February 1, 1952, which paper was subsequently approved by the Intelligence Advisory Committee on February 7, 1952. (Copy attached)[3]

The Department is extremely concerned regarding the problem of effectively neutralizing improper activities of Soviet diplomatic personnel stationed in this country, without at the same time bringing about further restrictive practices by the Soviet Union toward the representatives of our Government resident in that country. Even though the freedom of movement of our representatives in the Soviet Union is limited, such travel as they are allowed to undertake is extremely valuable, both for intelligence purposes and for a general appraisal of the situation in that country. It was to deter the Soviets from placing further limitations on travel and hence on our ability to gain important information that travel restrictions were originally imposed on Soviet personnel in the United States. If in applying these restrictions we should cause the Soviet Union further to restrict travel of our representatives in the Soviet Union, we would not have accomplished the purpose which we originally intended. We might also develop a situation which might make it difficult to maintain our mission in the Soviet Union. In addition to the valuable intelligence which our Government derives from the maintenance of a diplomatic mission in the Soviet Union, the continuance of that Mission is based upon most important political considerations, notably upon the desirability of maintaining contact with the regime, avoiding the increased tensions which would inevitably result from the severance of relations, and for the purpose of providing a diplomatic channel to exploit any opportunity which may eventually arise to reach an accommodation with the Soviet Union on basic issues.

There is, of course, one additional factor that must be taken into account in any thorough consideration of the problem of regulating travel of Soviet official representatives—as to whether the further

be classified "restricted" in order to deny attendance by representatives of hostile powers. (601.6111/12-2352)

[3]Not printed. Regarding the IAC decisions on Feb. 7, 1952, see footnote 2, Document 494.

restrictions of such travel would effectively deny the Soviet Government information available to the general public in this country.

The Department is fully appreciative of the seriousness of the problem presented by the fact that Soviet officials may have opportunity to gain data at technical meetings and through other sources as a result of their travel within the country. In this regard, the Department's communication to the Attorney General dated December 30, 1952, requested an expression of views from the Attorney General as to whether some practicable means can be devised for neutralizing espionage activities of Soviet nationals as a whole rather than concentrating on activities of individuals. (Copy of letter is attached.[4])

With your permission, and because of the responsibility of the Attorney General (through the FBI) for the internal security of the United States, I would like to forward your letter to the Attorney General for his comment, and particularly as to, if it were decided by our Government that the control of travel of Soviet representatives should be based on security considerations, whether the FBI would be in a position to provide vetting procedures for the travel of Soviet nationals. The procedure would have to be extremely expeditious if we were not to go beyond the bounds of retaliation, inasmuch as the vetting procedure within the Soviet Union provides for 48 hours notice.[5]

Sincerely yours,

DEAN ACHESON

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[4]Not attached to the source text and not printed. (601.6111/12-3052)

[5]In a letter of Jan. 22 to W. Park Armstrong, the CIA Deputy Director for Intelligence concurred in the Secretary's suggestion as presented here. (601.6111/1-2253) The exchange of letters between Director Smith and Secretary Acheson was duly transmitted to Attorney General Herbert F. Brownell under cover of a letter of Feb. 2. (601.6111/1-2253)

No. 539

761.00/1-1453: Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

CONFIDENTIAL
PRIORITY

Moscow, January 14, 1953—5 p. m.

1036. Reversions to techniques of 1930's in charges of terroristic activities on part group Soviet doctors evokes several interesting considerations.[2]

It cannot be completely excluded, of course, that there was indeed some sort of conspiratorial movement. It also might be argued that the "plot" is a complete fabrication of the ruling group cold-bloodedly designed for the achievement of some political aim. It seems at any rate to corroborate belief held by many that Soviet ruling group lives in atmosphere of constant psychotic mistrust and suspicion. While it would seem unreasonable to assume that they believe the charges as made, it seems quite likely that the latter reflect the ruling circles dominant fear of uncontrolled thought and discussion. It has been often assumed that serious differences of opinion on policy matters exist in the Soviet hierarchy up to and including the Politburo. The present occurrence plus past economic controversies now being aired do not diminish such opinions. However, if this is not the case but the top leaders had reason to believe there had only been an increase in the number of small clandestine discussion circles (which have been a feature of Russian life since Czarist times), particularly among the intelligentsia the matter would probably appear serious enough to them to require the most severe repressive measures.

The patent lack of reality of the charges explainable perhaps by the following hypotheses:

1. Publicized plot must be exceedingly simple in order to be understood by the great masses of Soviet people, even though such simplicity impedes fabrication of logical chain of circumstances and/or (2) Soviets not interested in convincing their people but rather wish force down their throats obviously false allegations, particularly distasteful to intelligentsia, as overt easily recognizable further move toward thought control. (If a conspiratorial group has had within its power a half dozen leading military figures for nine years since the death of Shcherbakov in 1945, it is

[1]Repeated for information to London, Paris, Rome, and Bonn.

[2]The "doctors' plot" was reported upon extensively by the Embassies in Moscow, London, Paris, and elsewhere in Europe. These reporting telegrams are included principally in file 761.00. Detailed (8 pages) comments on the "doctors' plot" and anti-Semitism in the Soviet Union is in despatch 381 from Moscow, March 3, in file 761.00/3-353.

surprising that some success had not been achieved and that after all this time plot near in fruition foiled only by means last minute intervention Security Police.)

Perhaps heavy play given Jewish *bourgeoisie* nationalist aspect should cause us re-evaluate Jewish element recent Czech trials. However, very identification of these groups as "Jewish Bourgeois nationalist" lessens to certain degree hypothesis which has been advanced that anti-Semitism as such is important and growing element Soviet and satellite policy.

Criticism of MGB for failure uncover plot earlier may be taken by some observers as further indication of lessened stature of Beriya. In absence further evidence of this however, it seems to Embassy MGB criticism and call for strengthened army and security forces, increased vigilance etc. may be warning to Soviet people to expect more intensive disciplinary measures plus stricter economic control mechanisms. This renewal of emphasis on discipline and threat of repressive measure quite consistent with new party statutes and subsequent comment thereon.

Re status Beriya, it should be noted he listed as being present with Stalin January 12 at Bolshoi Theater following Molotov and Malenkov. This might be considered usual position in hierarchy.

While basic motivation these charges probably arises from chronic mistrust of ruling circles, as in all similar cases, advantage is taken of opportunity gain other purposes including attack on "joint" organization (probably Joint Distribution Committee) with tie-in to US and UK, continued anti-US campaign, including bacteria warfare, atrocities, Kojedo, etc., probably had lost its momentum and present charges taken as means of providing vigorous shot in arm.

One of persons named as transmitting instruction is Dr. Schimeliovich the Director of Botkin Hospital where serious ailments foreign diplomats treated. Mikhoels who died January 1948 under strange circumstances known as President Soviet Jewish anti-Fascist Committee and reputed to have complained of anti-Jewish elements Soviet policy.

Tass announcement that investigation will be concluded shortly plus recent Praha precedent may foreshadow show trials here in reasonably near future.

BEAM

No. 540

PSB files, lot 62 D 333

Memorandum by Francis B. Stevens of the Office of Eastern European Affairs to the Deputy Director of the Psychological Strategy Board (Morgan)

TOP SECRET [WASHINGTON,] January 21, 1953.

Attached is a paper setting forth the Department's suggestions regarding the nature of stand-by instructions to be issued to all United States official information media for use in the period immediately following the death of Stalin. These are the instructions the preparation of which is recommended in Paragraph 6c of PSB document No. D–24, November 1, 1952.[1]

I am also authorized to inform you that Mr. Edward P. Montgomery of the Office of Policy and Plans, IIA, and myself have been designated as the Department's representatives to participate in any activities which may be undertaken to carry out recommendations 6b and 6d of the same paper.

[Attachment]

Paper Prepared in the Department of State[2]

PSB Paper No. D–24 of November 1, 1952 entitled "Psychological Preparation for Stalin's Passing from Power" includes the following recommendation:

6c. To avoid uncoordinated action in case of sudden death, an agreed Government position should be prepared at once, as a basis for stand-by instructions for the period immediately following this contingency.

There is general agreement among those who have given consideration to this problem that the exact conditions which will exist at the time of Stalin's death, be it on the international scene or within the Soviet power structure, cannot be foreseen. In the absence of such information, it is impossible to issue intelligent stand-by instructions to information media for the period immediately following Stalin's death except in the most general terms. The aim of such instructions should be not the immediate most effective ex-

[1] Document 532.

[2] Drafted by Stevens (EE) and apparently approved by Bohlen; Barbour, Thurston, and Davis of the Office of Eastern European Affairs; and Winthrop Sargeant, Phillips, and other officers of the Public Affairs area of the Department.

ploitation of the factors in the situation favorable to the advancement of United States objectives, but the avoidance of blunders which will prevent or complicate the exploitation of such factors after the situation can be thoroughly assessed. It is believed, therefore, that all information media under United States Government control, both overt and covert, should be given standing instructions that in the event of Stalin's death they should limit themselves to strictly factual reporting pending the receipt of specific guidance. Such guidance should be forthcoming with a minimum of delay in order to take maximum advantage of the situation in the United States interest.

The reaction of the Soviet people to Stalin's death is not easy to predict. Certainly there will be those who will feel that a heavy yoke has been lifted from the Russian people and that Stalin's passing affords the opportunity for beneficial change. Available evidence, however, seems to indicate that the great mass of the population has been sufficiently drugged by years of public adulation of Stalin and sufficiently impressed by the growth of Soviet power under his leadership to ensure a widespread feeling of genuine regret at his passing. It is important that in our eagerness to capitalize on the situation our information media do nothing which would do violence to this feeling if it indeed materializes. Nor is there any valid reason to believe that the security authorities will not be able to cope with the situation; premature appeals for violence or resistance are therefore also to be avoided.

One question which should be susceptible to advance determination is that of the course to be followed by this Government with respect to extending the customary official condolences. Three possible variations suggest themselves: (1) the despatch of a routine message to the Soviet Government; (2) the deliberate omission of such a message; (3) the omission of an official message while transmitting through United States information media a message to the Soviet people taking note of Stalin's death, extending to them the hand of friendship and inviting their cooperation in seeking a peaceful and secure world.

The first course is probably one which will be followed by most governments maintaining diplomatic relations with the Soviet Union unless the United States Government takes the initiative in securing advance agreement to some other proposal. Should we follow this course, strong adverse criticism of the Government may be anticipated both from anti-communist circles in the United States and from all *émigré* groups, Soviet and satellite. Furthermore, an opportunity would be lost to give encouragement to any potential resistance elements within the Soviet Union which might

consider Stalin's death a favorable occasion to expand their activities.

Complete silence on the part of the United States might be exploited by Soviet propaganda in one of two ways. It might be played down, in which event it would probably go unnoticed by the mass of the population; the absence of formal messages from one or another government in the long list of published communications spread over several days requires careful reading to be detected. Or our silence might be interpreted as a deliberate affront to the Soviet people and a further example of American hostility; if the feelings of grief at Stalin's death are genuine, this line might be not without effect.

The third alternative steers a middle course; it forestalls the criticism and resentment which would be occasioned by a formal message to the Soviet Government, while at the same time offering reassurances to the Soviet people. More importantly, it enables the United States to seize the psychological initiative and thereafter to exploit the developing situation as our interests may dictate. It is recommended that plans be developed to enable us to pursue this course. When such plans are completed they should be discussed with other governments, particularly the NATO countries, in an effort to obtain widespread adherence to this course of action.

No. 541

Microfilm telegram files, "Moscow FY 1953"

The Secretary of State to the Embassy in the Soviet Union[1]

CONFIDENTIAL WASHINGTON, January 26, 1953—6:54 p.m.

622. Following are Department's views for NAC discussion doctors' plot January 26 (Polto 1209):[2]

While it is too soon to attempt to estimate the full meaning of the charges in the doctors' plot, two most-likely hypotheses are (1) that it primarily represents a dramatic effort to increase vigilance and tighten discipline among Soviet people, or (2) that it reflects political or power problem in top Soviet hierarchy.

The alleged murder of two Politburo members and the alleged attempt on the lives of selected top Soviet military personnel would

[1]Drafted by Bohlen and Boster (EE) and cleared with EUR/RA and DRS. Sent to Paris as telegram Topol 761 and repeated for information to London, Moscow, Bonn, and Rome.

[2]Not printed. Regarding the so-called "doctors' plot", see footnote 2, Document 539.

seem to indicate that this affair will not be completed with the trial and execution of the nine doctors involved. The manner in which this plot is being handled, the emphasis in current Soviet propaganda on the continued existence of enemies within the Soviet state, need for vigilance, et cetera, the nature of the accusations against the state security organs "and their leaders" are reminiscent in certain respects of the techniques employed in the great purge of 1936 through 1939. There is no ground as yet, however, for believing that the new purges forecast by this doctors' plot would exceed in magnitude irrationality that of the 30's. Under the criteria of previous Stalinist purges of this nature, doctors are [illegible] of foreign intelligence intrigues plus, in this case, Zionism is too vague and indefinite to provide the chief instigating force for the doctors' actions. There is therefore a missing link which should logically in the light of past experience be supplied by a political figure who will turn out to have been the instigator of the doctors' actions. The Bukharin trial of 1938 established the precedent which may be followed in this case, that [illegible] of itself who puts doctors up to medical murders. If this is the beginning of purge process at all comparable to that of '30's present situation would appear be indication of some political or power problem involving top leadership of Soviet Union and logical consequences of Stalin's decision against one fraction or individual who, under requirements of Soviet system, must therefore be liquidated and discredited along with their or his adherents.

Whichever hypothesis is correct, following points also should be noted:

1. Most tangible result so far has been Soviet exploitation doctors' plot for drastically intensified drive for heightened security and discipline with all propaganda and notable Lenin anniversary focussed on need for vigilance and renewal class war attitudes.

2. A second positive component is anti-Semitic manifestations. While we believe it now unquestionable that anti-Semitism has become device to be used openly by Soviet rulers, we tend regard this aspect still secondary to other considerations. We also believe this not strict anti-Semitism in usual sense but rather that Jews in communist world have now begun to feel full force of Stalin's compulsion ruthlessly root out all elements with potential "international" outlook and links with outside world. Perhaps noteworthy that to date Soviet overt propaganda to Arab States has not widely exploited anti-Semitic potential of Slansky trial or doctors' plot.

3. We confidently expect further purges and show trials in satellites particularly Rumania, Poland and Hungary.

4. The problem of succession which with the passage of time is moving from the theoretical to the real undoubtedly constitutes an additional element of tension if our second hypothesis is correct.

5. We do not have sufficient information at moment to justify estimate of what relation this purge may have to Soviet foreign policy, though possibilities speculation this regard are manifest.

DULLES

No. 542

611.61/2-2153

Charles E. Wilson to the President[1]

NEW YORK, February 16, 1953.

DEAR MR. PRESIDENT: Some months before I became Director of Defense Mobilization (December, 1950), I was invited to attend a meeting arranged by the Society of Friends—(Quakers) and Malik, who then headed the Russian Delegation of the United Nations. There were three other U.S. Industrialists present with the Quakers and Russians.

I may say we Americans did not meet with the Russians until such meeting received President Truman's and State Department approval.[2]

It would be beside the point, I am here writing you on, to waste your time rehearsing the event of the meeting except to say that within a week after said meeting the Quakers, who were intermediaries, came back to us and inquired if we would go to Russia and

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[1]Sent by President Eisenhower to Secretary Dulles on Feb. 21 under cover of a brief memorandum initialed by the President which reads as follows:

"Will you please give me a study on this proposal—within the next thirty days if possible?"

In a memorandum to the President on Feb. 27, Secretary Dulles replied as follows:

"I have your memorandum of February 21 requesting that the State Department study Charlie Wilson's proposal.

"I think this idea, which the State Department considered and turned down two years ago, deserves careful reconsideration . But before going ahead with it, I think we want to have a clear idea of exactly what should be said. I would recommend that C. D. Jackson and Emmet Hughes work on this together with Chip Bohlen and Paul Nitze, from this Department, and give us, first of all, a general outline of what might be in the message, and then proceed to work up an outline draft.

"Would you let me know if you favor proceeding along these lines?" (611.61/2-2153)

No reply from the President has been found, and the matter does not appear to have been pursued further.

[2]Regarding the meeting between American business leaders and Ambassador Malik in the autumn of 1950 and subsequent contacts with the Department of State, see the memorandum of Mar. 13, 1951, from Kennan to Secretary Acheson and the memorandum of conversation of Apr. 20, 1951, by G. Frederick Reinhardt, in *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1557 and 1571.

outline to Stalin our views on the relationship between U.S. and Russia as we had done to Malik, which latter effort had resulted, we thought, in provoking almost a brawl. Visas were ready for us at the Russian Embassy and Russia was to provide transportation to Moscow from a European airport. President Truman and Dean Acheson were acquainted with the proposal and various meetings ensued, but the approval of Truman was not forthcoming and then I took on the Mobilization job and the Russian Radio and Press played a tune on me as a war monger, etc. so for that, and other reasons, the whole project was abandoned.

Out of the meeting with Malik, I gained one very distinct impression. That was, that the Russians and their Satellites fear the truth reaching the masses of their people. Their lies have been so fantastic, and the truth so satisfying to the average subject of Stalin, that the Slave Masters must necessarily plot to keep the truth from them at all costs.

If the foregoing is a correct summation of the Russian position, then the proposition I desire to call to your notice may well be very difficult of accomplishment.

Briefly speaking, what I am desirous of interesting you in is a new approach to a Peace Front. I have no illusions that this is simple to conceive or carry out.

I may say, parenthetically, that your not lamented predecessor was implored to make a new approach to this problem about two years ago. He finally became intrigued with the idea sufficiently to request that the proposition be outlined to him in quite gory detail. I put in many hours doing this and he was kind enough to say, finally, that the idea had merit and he would try it out. I guess he did—on Dean Acheson. The latter had a plan too. He finally broadcast it from Europe—the one Vishinsky said he laughed at so hard, he couldn't sleep.

The "plan" proposed two years ago and suggested for your consideration now is as follows:

1) An entirely different atmosphere has to be created, for the World's peoples' reception of a Peace Plan by the President of the United States.

2) The State Department must do a tremendous amount of planning and arranging months before the "Plan" is broadcast.

3) The State Department's first job: Get Russia and Satellites' acquiescence to reception of an hour's broadcast message by you, on a given date—and a guarantee, in the name of humanity the world over, of freedom from "jamming".

4) The State Department to arrange next that, following your world wide message, all the Heads of the Free Nations will *immediately* broadcast on a pre-arranged schedule, heartily, fervently

approving and recommending your message and its solution of the problems heretofore preventing peace.

[Page of source text missing.]

to me, there are "troubled spots" in the world that can be won over to the Free Nation standard by minor economic and wide technical and assistance plans. This conclusion is reinforced by the magnificent results attained by the Ford Foundation's work in India and Pakistan. Giving assistance to agricultural communities that promise a doubling output of foodstuffs—all with great acclaim by Nationals of these countries for American institutions.

The first and last reaction of the last administration, was that regardless of the Peace Plan proposals, and methods of getting them across to the peoples of the world, you just can't do business with the Russians and their Satellites. I guess there is much ground for that reaction. But, if the Peace Message were launched to the world's masses and, if it were of a type and content I am sure it would be, given by you, who really knows if the hackneyed reaction of the last administration regarding Russia and the Satellites would hold true?

One thing I've become convinced of, after two years in Government and out, is that the President of the United States has, at this time, the opportunity—nay, the obligation to make a supreme effort in the interest of world peace—from what is now a platform of tremendous military strength that was lacking two years ago. A peace effort, from position of great strength, is obviously something quite different than from a position of weakness. Furthermore, I believe the world's people or, rather, the great majority of them are tired, frustrated and fed up with wars and the threats of wars. In other words, the time—soon—is the right time.

It can be the greatest effort for World Peace, and mean more to the world's people than any event since the Prince of Peace came 2000 years ago.

When I literally begged you to accept the nomination for the Presidency, at luncheon on Morningside Heights, I believed you were the man ordained of God to lead the effort to bring peace out of the chaos enveloping the whole civilized world. Now, I'm sure I was right.

In conclusion, suppose it is true that Russia won't cooperate. If it is made clear that your Peace Plan is to be made known to the world's people, whether Russia cooperates or not, I just don't believe Russia will be able to face the consequences of refusal to cooperate in the face of the terms of your proposals that are good for all mankind.

Sincerely, CHAS

No. 543

601.9161/2-1953: Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

SECRET Moscow, February 19, 1953—3 p.m.

1196. Indian Ambassador Menon[2] last night gave me account of his interview with Stalin February 17. He said he had not requested interview but was informed last Friday Stalin would like to see him in next few days. Menon thinks he was received as courtesy because Stalin desired talk with Kitchlew.[3]

Menon was impressed, as was Argentine Ambassador[4] at his interview some ten days ago, with Stalin's good health and air of confidence. Fifteen minutes Menon's half hour talk with Stalin were taken up by latter's dissertation on the equal treatment of nationalities in USSR together with discussion of language problems in Russia and India. Passing to political affairs Menon expressed disappointment rejection POW resolution in UN, outlining Indian efforts localize and settle dispute including Indian opposition to UN forces going thirty-eighth parallel in Korea. He said he explained fully reasonableness UN POW proposal. To all this Stalin repeatedly said "yes, yes," but seemed to show little interest and to Menon's disappointment did not seize the opening for basic discussion or the presentation of new proposals.

Stalin brought up the question of the US Seventh Fleet and Formosa as an example of the difficulty of dealing with the Americans. Menon said that the recent US decision had likewise caused concern in his country, as expressed by Nehru, but that he regarded the Americans as a people of good will. Stalin replied that there were many good Americans but that unfortunately the US was governed by profit motives. Referring to India's relations with

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[1]Repeated for information to Paris, London, and New Delhi. At Secretary Dulles' request, Special Assistant John W. Hanes, Jr., sent a copy of this telegram to the White House on Feb. 24 as being of possible interest to President Eisenhower.

[2]K. P. S. Menon, Indian Ambassador in the Soviet Union from Oct. 19, 1952.

[3]Indian writer and winner of a Stalin Prize; leader of an Indian "peace delegation" which visited the USSR during the month of February 1953.

[4]Luis Bravo, Argentine Ambassador in the USSR, called upon Stalin at the Kremlin on Feb. 7. Ambassador Bravo indicated to the press afterward that the meeting had been devoted mainly to discussions of Soviet-Argentine trade negotiations. Bravo also stated that Stalin appeared to be in robust health.

Japan, Stalin predicted that Japan's competition would soon undercut India's industry.

At the end of the conversation Stalin mentioned he "liked to see some of the Ambassadors in Moscow". Menon thanked him for the cooperation he had received from the Foreign Office, regarding which Stalin remarked, "even the shepherds are hospitable in Russia."

Menon told me he had a brief talk with Kitchlew yesterday regarding the latter's interview with Stalin which took place one hour after his own and lasted about 70 minutes. According to Kitchlew, Stalin expressed a personal liking for President Eisenhower but believed his hands were tied by the capitalists around him.

Menon leaving February 25 for two weeks visit Hungary where he accredited. He said he had arranged to have his letters of credence addressed to Hungarian Chief of State by title rather than by name since he "was not sure who would be there to receive him by the time he arrived."

Commonwealth representatives here, to whom Menon made substantially same report, have remarked on Stalin's apparent obsession that capitalism is blocking world peace. Both they and Menon consider that while interview does not indicate any new Soviet aggressive intention in near future, it showed no sign of yielding or conciliation.

BEAM

No. 544

Editorial Note

At his press conference on February 25, President Eisenhower was asked whether anything could be accomplished by a meeting with Generalissimo Stalin "at this time" and whether the President would be willing to go out of the country to meet Stalin. The President replied in part as follows:

"I will say this: I would meet anybody anywhere, where I thought there was the slightest chance of doing any good, as long as it was in keeping with what the American people expect of their Chief Executive. In other words, I wouldn't want to just say, 'Yes, I will go anywhere.' I would go to any suitable spot, let's say halfway between, and talk with anybody, and with the full knowledge of our allies and friends as to the kind of thing I was talking about, because this business of defending freedom is a big job. It is not just one nation's job." (*Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, pages 69–70)

No. 545

761.001/2-2553

Memorandum from E. Lewis Revey of the Office of Policy and Plans, United States International Information Administration, to the Assistant Administrator of the Office (Connors)[1]

CONFIDENTIAL [WASHINGTON,] February 25, 1953.

Subject: "The Succession".

The history of the "Succession" issue begins with departmental consideration of US information policy with respect to the 19th Soviet Party Congress convened in Moscow, October 5, 1952.

(1) In a memorandum, dated August 24, 1952, and addressed, I believe, to P–Mr. Phillips, EE–Mr. Barbour and IPO–Mr. Connors, Mr. Kretzmann of IBS/NY set forth some of the ideas, relative to the 19th Congress, which emerged in VOA/NY staff discussions. These ideas were submitted to Washington appropriate departmental consideration.

(2) A meeting was held in Washington on September 9 to consider the IBS proposals. The following officers were present at this meeting: P–Mr. Phillips; EE–Mr. Barbour, Mr. Thurston, Mr. Davis and Mr. Pratt; EUR–Miss Kirkpatrick; IPO–Mr. Connors, Mr. Hickok and Mr. Revey; IBS–Mr. Kretzmann and Mr. Wolfe.[2] The meeting ended in general agreement, reflected later, on September 24, in an IA Special Guidance entitled "Interim Guidance re 19th Soviet Party Congress".

One of the ideas discussed at this meeting concerned preparation by IBS of a script conjuring up a "Stalin Testament" similar to the Lenin Testament. It was the sense of the meeting that IBS should proceed with preparation of such script but that it should not be broadcast before submission to and clearance by the Washington policy offices concerned.

(3) An IBS/NY script (in two parts) entitled "Stalin's Testament" was prepared by the Russian Unit and submitted to Washington for clearance in the latter part of October.

(4) In view of the failure of the "All Union Congress of the Soviet Communist Party" to clarify the Succession problem, IBS–Mr. Kretzmann, on October 24, 1952, addressed a memo to IPO–Mr. Connors on the subject of the Succession. This memo predicated upon the assumption that Stalin had chosen Malenkov as his suc-

[1]Unless otherwise indicated in appropriate annotations, the memoranda and papers referred to have not been found in Department of State files.

[2]Officers mentioned in this paragraph and not previously identified include: James W. Pratt and Robert C. Hickok.

cessor, requested Washington to make decisions with respect to two questions: (a) "Is the theory" (of Malenkov's ascendancy) "plausible enough so that we would not risk our creditability [*credibility*] by advancing it" and (b) "Do we wish to engage in this type of psychological warfare against the Kremlin". Attached to the Kretzmann memo were two draft scripts.

(5) On October 23, before receipt of the Kretzmann memo, IPO–Mr. Revey, drafted a memorandum to IPO–Mr. Connors (copy to EE–Mr. Pratt) discussing the IBS position on the Succession and recommending conditional approval of the IBS project to handle the Succession theme. On October 28, EE–Mr. Pratt addressed a memo to EE–Mr. Barbour and Mr. Boster[3] (copies to EUR/P–Miss Kirkpatrick and IPO–Mr. Revey) commenting on the IBS memo of October 24. A few days later DRS–Mr. Harvey addressed a memo to EE–Mr. Pratt commenting on the IBS memo and the scripts attached thereto.

(6) On the strength of the EE memo and the oral comment of DRS to EE (committed to writing November 4) IPO–Mr. Connors, on October 31, addressed a memo to IBS–Mr. Morton, setting forth interim information policy with respect to the IBS proposals relating to the Succession. The essence of this guidance was that the theme of Succession should be discussed generally, rather than in specific terms of Malenkov's ascendancy, and that each script on this complex subject should be submitted to IPO for clearance.

(7) Meanwhile, on or about November 5, EUR/P sent to IBS–Mr. Kretzmann, copy of the EE and DRS memos which commented in detail on the IBS proposal.

(8) On November 7, IPO–Mr. Connors addressed a second memo to IBS/NY—this time to Mr. Kretzmann—on the subject of the Succession. This memo, based on the judgments of EE and DRS answered the two questions advanced in the IBS memo of October 24. It stated:

(a) That the theory of Malenkov's ascendancy could be advanced with caution and in general terms but that it would be prudent to employ alternative interpretations as well.
(b) That tentatively, at least, we could engage in psychological warfare on this subject.
(c) That the complex subject of the Succession was under study in the Department and elsewhere (PSB) and we could not be sure in advance what conclusions their study would reach.

This communication also advised VOA (as suggested by EE and DRS) not to use the script "Stalin's Testament" as submitted.

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[3]David E. Boster.

(9) In a circular telegram on Soviet purges (doctors' plot), IPO on January 30, 1953,[4] issued further guidance relating to the Succession. This guidance (cleared by C–Mr. Bohlen, P–Mr. Phillips, EUR–Miss Kirkpatrick and IPO–Mr. Haden) pointed out that the purges may well reflect political or power problems in the highest echelons of the Soviet hierarchy, but that they do not necessarily relate to the Succession, since conceivably they might reflect taking of important policy decisions, resulting, as is customary in the Stalinist system, in the discrediting and liquidation of the losing faction and its adherents.

The important thing in all this is that IPO's actions, in this matter, were based upon detailed consultation with other areas of the Department. The memos to IBS were based on the considered judgments of the responsible substantive and research offices of the Department, while the instructions (both 19th Congress and purges) were fully cleared by all areas of the Department concerned.

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[5]The circular telegram is not printed. Regarding the doctors' plot, see footnote 2, Document 539.

No. 546

Editorial Note

The nomination of Charles E. Bohlen to become Ambassador to the Soviet Union was sent to the Senate by President Eisenhower on February 27. Transmission of the nomination followed by several days receipt of the *agrément* from the Soviet Government to the designation of Bohlen as Ambassador. Hearings before the Senate Committee on Foreign Relations on the Bohlen nomination were held on March 2 and March 18. The committee vote on March 18 was 15 to 0 to report favorably the nomination to the Senate. For the official record of the hearings, see *Nomination of Charles E. Bohlen:* Hearing before the Senate Committee on Foreign Relations, 83d Congress 1st Session. (Washington, Government Printing Office, 1953) The text of certain exclusions made in the official record of the meeting of the committee on March 2 are included in *Executive Sessions of the Senate Foreign Relations Committee*, volume V, pages 203–217. For an exchange between President Eisenhower and Secretary Dulles on March 16, see Document 568.

The opposition by some Senators to the nomination of Bohlen as Ambassador to the Soviet Union and the doubts raised in some quarters regarding Bohlen's loyalty became a matter of concern

within the government and a well publicized controversy in the news media. President Eisenhower voiced his support for the nomination during his regular press conferences on March 19 and March 26; see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, pages 109 and 130. Secretary Dulles responded to a wide range of questions on the nomination at his press conference on March 20. The Senate Foreign Relations Committee considered the Bohlen nomination again on March 23 and March 25; see *Executive Sessions of the Senate Foreign Relations Committee*, volume V, pages 268–278. The Senate debated the nomination on March 23, 25, and 27 before confirming the nomination by a vote of 74 to 13.

The most comprehensive and authoritative account of the Bohlen nomination process is presented in Bohlen, *Witness to History*, pages 309–336. The President's briefer account of the process appears in Eisenhower, *Mandate for Change*, pages 212–213. Identifiable documentation in the files of the Department of State scarcely begins to cover all incidents attending the nomination of Bohlen described in the latter's own published account. The single most important file in this respect is 123 Bohlen, Charles E. Secretary Dulles' many telephone conversations between March 16 and March 27 on the nomination are included in the Eisenhower Library, Dulles papers. These records, however, only represent a small portion of the official exchanges which took place on the Bohlen nomination during this period. Only the record of one of the March 16 conversations (Document 568) has been included in this volume.

No. 547

Microfilm telegram files, "Moscow FY 53": Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

CONFIDENTIAL
PRIORITY

Moscow, March 4, 1953—2 p.m.

1245. Immediately preceding telegram contains text communiqués regarding Stalin's illness issued by *Pravda* and Moscow Radio March 4. Embassy desires call attention particularly to following points.

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[1]Repeated for information to Paris, London, Bonn, and Rome.

Original attack occurred night of March 1–2. First medical bulletin is dated 2 a.m. March 4.[2] In other words illness has been concealed for at least two full days. Great confusion created ruling circles by sudden attack and Soviet perfectly natural tendency to secrecy could easily explain such delay. More interesting question, perhaps, *is why news now released*. Presume one or both of two possibilities.

(1) Stalin end approaching fast (Embassy doctor on basis medical details released considers it probable Stalin will not live long) so that it has become necessary to prepare people for news which could not be concealed indefinitely and indeed may have already started to leak in this rumor-ridden country; (2) struggle for position has already begun in high command and one or more individuals or groups feel safer with news given out (possibility Stalin already dead cannot be entirely excluded).

Seems reasonable suppose attack was actually unexpected and quite possibly unprepared for. Stalin was seen as recently as February 17 by presumably impartial observers Indian Ambassador and Saffrudin Kitchlew (Embassy does not consider feasible that any of Stalin's long-rumored doubles, even if they actually exist, could have taken his place and concealed his death for substantial time).

Remarks in communiqué text to effect that Central Committee and Council of Ministers "recognize whole significance" Stalin's illness and "are taking into consideration with all seriousness all circumstances" connected with it show that ruling group itself fully realized that this event will shake USSR to its foundations. Their "certainty that party and people will show greatest unity and solidarity" sounds remarkably like whistling in dark.

It is noteworthy too that Central Committee and Council of Ministers speak as group and no individual names singled out. If one man or one clique is already achieving dominance, nature of Soviet power system makes it likely that he would have attempted to show his primacy in this public record. This Embassy inclined to see picture as one of confusion, uncertainty, and temporary restraint in ruling group.

Embassy facilities for gathering reactions from Soviet citizens are extremely limited. Nevertheless all observations seem to confirm that there is little public excitement or turmoil over this event. Streets of central Moscow appear exactly as on any other day. All newspapers containing the communiqués are surrounded

[2]For text of the statement by the Central Committee of the Communist Party of the Soviet Union and the Council of Ministers of the Soviet Union, Mar. 3, and broadcast and circulated by Soviet news media on Mar. 4, see *Current Digest of the Soviet Press*, vol. V, No. 6, Mar. 21, 1953, p. 4. Telegram 1244 from Moscow, Mar. 4, is not printed.

by only small groups. People in the central market seemed concerned only with their usual shopping problems; two observers did not even hear the name of Stalin mentioned.

Only visible departure from normal was the longer lines which attended each newspaper sales kiosk. However, people in these lines and before bulletin boards showed themselves either unwilling or uninterested in discussing event. Among Embassy household employees, reaction has varied from tears on part of two or three women to indifferent acceptance on the part of several persons.

One final point seems worth mentioning. If this attack has been approaching for some time, it seems possible that its development has affected Stalin's already abnormally suspicious mind and possibly have provided the underlying cause of the alleged doctors plot against the lives of the top Soviet leaders.

BEAM

No. 548

Statement by the President[1]

WASHINGTON, March 4, 1953.

At this moment in history when multitudes of Russians are anxiously concerned because of the illness of the Soviet ruler[2] the thoughts of America go out to all the people of the U.S.S.R.—the men and women, the boys and girls—in the villages, cities, farms and factories of their homeland.

They are the children of the same God who is the Father of all peoples everywhere. And like all peoples, Russia's millions share our longing for a friendly and peaceful world.

Regardless of the identity of government personalities, the prayer of us Americans continues to be that the Almighty will watch over the people of that vast country and bring them, in His wisdom, opportunity to live their lives in a world where all men and women and children dwell in peace and comradeship.

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[1] *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, p. 75. This statement was issued to the press by Press Secretary Hagerty on Mar. 4. President Eisenhower commented in a general way upon Stalin's illness and the preparation of this statement during his news conference of Mar. 5; see *ibid.*, pp. 76 ff. Regarding the preparation of this statement, see Document 550.

[2] Regarding the announcement concerning the illness of Stalin, see telegram 1245, Mar. 4, *supra*.

No. 549

PSB files, lot 62 D 333, PSB–40 Series

Department of State Intelligence Estimate[1]

CONFIDENTIAL
No. 50

[WASHINGTON,] March 4, 1953.

IMPLICATIONS OF STALIN'S COLLAPSE

Stalin's illness and imminent death removes from the Soviet scene the most important single element in the Soviet-Communist system. The remaining Soviet leaders consequently face a tremendous readjustment problem.

The Soviet system is such that solution of this problem will necessarily present grave difficulties and will almost certainly produce intra-leadership intrigues. It cannot be assumed, however, that these intrigues will lead to any serious weakening of the regime or to significant changes in Soviet foreign or domestic policies. In fact the necessity of displaying to the world a smooth transition to a new leadership would seem to require a continuance of previous policies. The 1952 Party Congress[2] and Stalin's October *Bolshevik* article,[3] together with the ideological lines laid down in the current vigilance drive, appear to have set a course which the leadership that replaces Stalin would find most difficult to alter.

Attack Appears Fatal. The nature of Moscow's announcement of Stalin's illness indicated belief on the part of Soviet leaders that there is little chance of recovery and that to all intents and purposes he has been eliminated as the controlling force in the USSR. While the communiqué spoke of the "temporary withdrawal" of Stalin and anticipated only his "more or less prolonged non-participation in leading activity," it pointedly emphasized that medical treatment so far applied has failed to bring about any improvement and described the nature of the affliction in such a way as to

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[1]Intelligence Estimates of the Department of State were prepared in the Office of Intelligence Research. This Intelligence Estimate was circulated on stationery used for OIR "Intelligence Reports" and was sent to Secretary Dulles by W. Park Armstrong, Special Assistant for Intelligence, under cover of a short memorandum of Mar. 5 which summarized the essential conclusions of the estimate. Copies of Armstrong's memorandum were also sent to Under Secretary Smith and eight other top substantive officers of the Department.

[2]The Nineteenth Party Congress of the Communist Party of the Soviet Union opened on Oct. 5, 1952.

[3]*Bolshevik* (the theoretical journal of the Communist Party of the Soviet Union), No. 18, September 1952, printed 50 pages of Stalin's economic theoretical writings covering the period Feb. 1–Sept. 28, 1952. The Embassy in Moscow reported on Stalin's statement in telegrams 601, Oct. 2, and 614, Oct. 4. (761.11/10–252 and 761.11/10–452, respectively)

suggest a fatal attack. Similarly, the announcement's concluding appeal to the Soviet people was in terms that indicated an intention to prepare the country psychologically for a new leadership.

The framers of the announcement also appeared concerned to quiet any speculation that Stalin's illness might have been the result of any sort of "plot." Treatment of Stalin, it was said, "is conducted under the constant supervision of the Central Committee of the Communist Party of the Soviet Union and the Council of Ministers of the Soviet Government." It would seem, therefore, that the leaders are anxious to avoid a suggestion that Stalin's illness is connected with the "doctors' conspiracy" announced last January 13.[4]

Collapse a Surprise. Stalin's collapse came after several months of exceptional personal activity on his part. Last autumn, in contrast to previous postwar years, he remained in Moscow for the 19th Party Congress, rather than going to Sochi in the Caucasus. He made at least two personal appearances at the Congress, delivering a public speech at the closing session, his first since 1946. He attended the November celebration of the anniversary of the Revolution, an occasion that he had frequently missed in the past. Since the beginning of the new year, he has had at least four interviews with foreigners and has attended the Bolshoi theatre. This unusual personal activity in recent months strongly suggests that his collapse came without warning.

The removal of Stalin from control presents the Soviet Union with a most serious problem of leadership. On the basis of all the evidence available it appears that he retained in his own hands and actively exercised absolute authority over the whole of the Soviet power system, including the Soviet Party, the Soviet Government, the European satellites, and the world Communist movement. Any expectation that after the war Stalin would gradually relinquish active direction of affairs and withdraw to an elder statesman status were not realized. In fact he did even revert to his prewar practice of controlling the regime from a Party post without heading the government.

Stalin apparently continued until at least a short time ago to concern himself with detailed operations of the Soviet power system to as great an extent as any time in the past. This was directly evidenced in the fields of foreign affairs, party affairs, control of the satellites, ideology, and direction of the world Communist movement. It was indirectly evidenced in the military, economic, security, and propaganda fields.

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[4]See footnote 2, Document 539.

Succession Unclear. So far there has been no hint who is to take over Stalin's role. The official announcement threw no light on the subject. It merely placed responsibility on the entire Central Committee of the Party and the Council of Ministers, saying that "in guiding the Party and the country, the Central Committee and the Council of Ministers with full seriousness take into account all circumstances connected with the temporary withdrawal of Comrade Stalin from leading the State's and Party activity."

The problem of replacing Stalin is, of course, made more complex by the fact that Stalin's role was a symbolic one as well as a real one. No one can possibly assume at any early date this symbolic position, for whatever may have taken place with respect to preparations for an actual transfer of power, no preparations at all have been made for any of Stalin's associates assuming Stalin's "great father" mantle.

Even with respect to actual power, it cannot be assumed that any arrangements have been made for a changeover. Insofar as intelligence indications exist, there are none that suggest that a successor has already been chosen.

This, of course, raises two questions. Will there be a struggle for power between opposing individuals or factions? Who are the likely candidates for Stalin's mantle? It is conceivable that removal of Stalin from the controls will unleash a bitter struggle for power. This could happen if the present leadership has been split into opposing groups or if individuals jockeying for power back up their pretensions with organized support. Difficulties inside the ruling group since the end of World War II have been made evident, in the alleged murder of Zhdanov, a leading candidate for Stalin's favor, in the oblivion accorded Voznesenski, for years the principal Soviet planner, and in the variety of difficulties created for Andreyev, Khrushchev, and Kosygin.

Despite these manifestations of disharmony it appears at present that there will not be a struggle for the succession of a nature to disrupt the regime. It appears, in particular, that the inner group of the Presidium (the former Politburo) is not organized and is unlikely to become organized into hostile factions divided on policy and bent on exterminating the others. Stalin has had a long time to select, train and test his close associates, and the inner group has shown considerable stability over time. It would seem probable, however, that any lingering by Stalin, as Lenin lingered, in the wings of the stage would give more opportunity for a struggle to develop than a prompt exit.

New Head to Council Needed. Stalin built his power on the base of a position from which he could control the Party apparatus, and has built into the Soviet power structure the principle of Party su-

premacy. Nevertheless, he has since 1941 held the key post in the government apparatus, as Chairman of the Council of Ministers. The latter post is the only one held by Stalin that requires a more or less immediate successor. Whoever is to be selected will be chosen by the Central Committee and formally named by the Presidium of the Supreme Soviet of the USSR. At the present time Stalin holds no position in the Party which is formally unique, that is, he shares membership with others on the Presidium of the Central Committee and on the Secretariat. He has been described as Secretary-General of the Party in the postwar period, but not since the Nineteenth Party Congress. In the listings that resulted from the Congress Stalin's name unalphabetically led all the rest, but no special post was assigned.

One possibility, therefore, is that a new government chieftain would be named, without any rearrangements of Party posts. A strong case could be made for the restoration of Molotov to the government post of chairman of the Council of Ministers which he held throughout the 1930's, when Stalin wielded power from his Party Secretaryship. If so, it would give Molotov a definite advantage. However, even if Molotov became Premier and the Central Committee made no change in the Presidium and the Secretariat, this would appear likely to rebound to Malenkov's favor since with Stalin out, Malenkov would be the only likely candidate for Stalin's post who held a position in both the Presidium and Secretariat. Malenkov would be in a position, therefore, to control the Party machinery which in the long run will probably prove supreme.

Control by a triumvirate or similar small group is possible, but the Party chieftain under such an arrangement would almost automatically come to occupy the first place, although his power and prerogatives might not be as large and unchallenged as those of Stalin.

No Policy Change Foreseen. Stalin's elimination will probably bring no early change in Soviet domestic or foreign policy. Domestically it can be expected that tight controls will continue to be maintained over all segments of the population. Controls probably will even be strengthened in accord with the development of the "vigilance" campaign which was intensified after the exposure of the "doctors' plot" on January 13. The governmental regulations and doctrines enunciated by Stalin or in his name will probably become for at least a period sacrosanct with all elements vying with each other in their professed adherence to them. For the time being it is unlikely that any new doctrines will be enunciated. The goals set by the new plan for 1955 will continue to serve as objectives. The emphasis will remain on developing heavy and arma-

ment industry and continuing to increase the proportion of communal production in agriculture.

In the realm of foreign policy it would appear that Stalin and the Party Congress laid out lines of policy to which the Soviet Government can be expected to adhere for some time. Vis-à-vis the West, this policy is clearly one of unremitting hostility. The official Soviet theoretical journal *Kommunist* late in January backed up by an important *Pravda* editorial on February 6 made clear that this signified no "concessions not even small concessions" to the "imperialists." In practical terms, this would appear to mean a continued "hard" Soviet policy on Korea, Germany, and all other outstanding issues between East and West.

Stalin's demise should have no appreciable effect in the immediate future on the Soviet Union's relations with its satellites, with Communist China and with the international Communist movement. Operational relationship and policies have long since been evolved, in the case of international Communism at the Soviet Party Congress, in the case of Communist China at the 1952 talks with top Chinese officials. In the long run, however, the problem of replacing Stalin as the unquestioned leader of the World Communist movement may present difficulties, particularly with the Chinese Party.

With respect to policy toward the West, there have been reports of divergent opinions among Stalin's possible successors regarding policy but these are purely speculative. Even if any of Stalin's associates have privately advocated policies different from Stalin's, they probably would be loathe to assume the risks of opening themselves to charges of deviationism by publicly advocating a change, particularly in view of the fact that Stalin has just completed drafting what in effect amounts to a blue print on the direction of basic Soviet domestic and foreign policies. In other words, the policy positions taken by Stalin will tend to be frozen for a more or less prolonged period with no one Soviet leader strong enough, or daring enough, to attempt changes.

No. 550

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 135th Meeting of the National Security Council, Washington, March 4, 1953[1]

TOP SECRET EYES ONLY

Present at the 135th meeting of the Council were the President of the United States, presiding, the Vice President of the United States, the Secretary of State, the Secretary of Defense, and the Director for Mutual Security. Also present were the Secretary of the Treasury, the Director, Bureau of the Budget, General Vandenberg for the Chairman, Joint Chiefs of Staff, the Director of Central Intelligence, the Administrative Assistant to the President for National Security Matters, the Special Assistant to the President for Cold War Operations, the Military Liaison Officer, the Executive Secretary, NSC, and the Deputy Executive Secretary, NSC.

There follows a general account of the main positions taken and the chief points made at this meeting.

1. *Stalin's Illness* (Program of Psychological Preparation for Stalin's Passing from Power (PSB D-24), dated November 1, 1952;[2] Appendix A to NIE-64 (Part I)[3])

Mr. Cutler explained that the President had met early this morning with Mr. Allen Dulles, Mr. C.D. Jackson, Mr. Hagerty, and himself, and had prepared a Presidential statement on Stalin's illness which it was now desired that the Council discuss and approve.[4]

After Mr. Cutler had read this statement and Mr. Jackson had briefly noted the reactions to the announcement of Stalin's illness in various quarters of the globe, the President stated that the meeting earlier in the morning had been prompted by a desire to see whether and how the announcement of Stalin's illness could best be exploited for psychological purposes. He believed that the moment was propitious for introducing the right word directly into the Soviet Union. The Russians would be so interested in the reaction of the rest of the world that it would be possible on this occasion to penetrate the Iron Curtain. The President stressed that this was a psychological and not a diplomatic move, and added that it was proposed to make the statement temperate in tone to offset

[1]Drafted on Mar. 5 by Gleason.

[2]Document 532.

[3]Not printed; dated Nov. 12, 1952, and entitled "Soviet Bloc Capabilities Through Mid-1954".

[4]For text of the statement as released to the press, see the editorial note, *infra*.

possibly intemperate comments from the Hill, though such comments had thus far been cautious.

Mr. Jackson affirmed his conviction that this was the first really big propaganda opportunity offered to our side for a long time. It enabled us to stress our devotion to peace, and it would enable us to counteract with real forcefulness the "hate America" campaign in the Soviet orbit and to calm anxieties elsewhere in the world by reassuring peoples everywhere of America's devotion to peace. Mr. Jackson further pointed out that if the President were to remain silent we would not only miss the opportunity he had outlined, but the very silence of the Chief Executive would be subject to misinterpretation by those who sought to misinterpret him. There was, in short, no option but to issue some kind of statement.

Secretary Humphrey expressed his prompt approval of the text which Mr. Cutler distributed, but Secretary Wilson evidenced anxiety lest the present statement imply that the United States Government proposed to go over the heads of the bosses of Soviet Russia and to appeal to the people of the Soviet Union to overthrow their masters. Secretary Wilson believed that efforts of this nature in the past had proved to be boomerangs, and suggested therefore that any such implication in the present text be removed.

Mr. Jackson replied that of course none of us knew all the answers, but that it seemed to him that for the moment the Russian people were punch-drunk and inert. As far as their rulers were concerned, the only one they reverenced was Stalin. The rest they only feared. Hence it had seemed unwise to have the President, so to speak, call Stalin an s.o.b., or on the other hand to send a message of condolence to the Russian people.

Secretary Dulles announced that he had no fixed opinion as to the desirability of a Presidential statement, but added that he felt there was a very great risk in whatever the President said. On balance, he felt that there was more loss than gain to be anticipated from the present text, since he agreed with Secretary Wilson that it will be interpreted as an appeal to the Soviet people to rise up against their rulers in a period of mourning, at a time when they were bound to regard Stalin more reverentially than ordinarily. It was certainly a gamble.

Thereafter the President and the other participants in the Council meeting went over the text sentence by sentence, making various changes to meet the points raised in criticism of the original text.

During the course of this exercise the President suggested that for courtesy's sake Secretary Dulles should telephone the Soviet Embassy in Washington to inquire about the situation and to express concern. Also, a message was sent to the meeting by the

Under Secretary of State, indicating that the Soviet Embassy was calling in the press at eleven o'clock, which General Smith thought indicated that "Stalin was dead as hell." In any case, said the President, it was necessary that his own statement be got out at once, since it was now a few minutes before eleven.

The statement was therefore sent in to Mr. Hagerty, and Mr. Cutler proposed various other actions for Council consideration with respect to the implications of Stalin's disappearance from power. These included an intelligence estimate by the Central Intelligence Agency, a policy estimate by the Department of State, and a psychological estimate by the Psychological Strategy Board in consultation with Mr. Jackson.

The President agreed generally with the proposed action, but suggested that one specific area in the world where Stalin's death could make a very great difference was Communist China. He doubted whether there would be any significant impact among the satellite states in Eastern Europe, and ended by suggesting that the proposed studies pinpoint China and Yugoslavia. He was also anxious that the psychological effects not be overlooked.

The Vice President observed that one of the results of Stalin's illness and death was likely to be added pressures in Congress to reduce drastically national security and defense expenditures. The Communists could be expected to exploit any such Congressional pressure, and the Vice President therefore insisted that we be prepared to meet a new Communist peace offensive in conjunction with Congressional pressure to reduce expenditures. Congress should be warned that Stalin's successor might very well prove more difficult to deal with than Stalin himself.

Mr. Dulles registered his agreement with the Vice President's opinion that the situation might very well be worse after Stalin's death.

The President also agreed with this view, and said that it was his conviction that at the end of the last war Stalin would have preferred an easing of the tension between the Soviet Union and the Western powers, but the Politburo had insisted on heightening the tempo of the cold war and Stalin had been obliged to make concessions to this view.

Mr. Dulles then sought the President's opinion with respect to a request from Senator Wiley,[5] that Mr. Dulles appear in person before a Congressional committee to brief its members on the general situation which could be anticipated in the circumstances of Stalin's disappearance from power. Mr. Dulles added that he per-

[5]Senator Alexander Wiley of Wisconsin, Chairman of the Senate Foreign Relations Committee.

sonally believed that it would be a fatal mistake for the Director of Central Intelligence, who should properly give estimates only to the President and the National Security Council, to do so before Congressional committees. Quite apart from the security considerations, once the precedent had been set the Director of Central Intelligence would spend most of his time in this kind of operation.

General Vandenberg, as a former Director of Central Intelligence, emphatically confirmed Mr. Dulles' views, and thought that it would be a great mistake to accede to Senator Wiley's request.

At first the President felt that Mr. Dulles should try to find some way by which he might respond to Senator Wiley's request without actually revealing secret intelligence, but he also expressed concern at the manner in which of late so many Cabinet members had been obliged to spend inordinate amounts of time on the Hill.

It was the opinion of virtually all the other members of the Council that Mr. Dulles should not agree to appear.

The President then suggested that General Smith, as a former Ambassador to Russia and as Under Secretary of State, would be the perfect substitute for Mr. Dulles on this occasion.

The other members of the Council, and particularly the Secretary of State, regarded this as the perfect solution of the problem.

The President then picked up the telephone, called Senator Wiley, and had no difficulty in persuading Senator Wiley to ask the Under Secretary of State in place of the Director of Central Intelligence.

The National Security Council:[6]

a. Agreed upon the text of a Presidential statement on the subject subsequently released to the press.

b. Agreed that, as a matter of high urgency, the following reports should be prepared regarding the effect of Stalin's passing from power, with particular reference to the effect on Communist China and Yugoslavia:

(1) A new intelligence estimate by the Central Intelligence Agency.

(2) A statement of the policy implications by the Department of State.

(3) A plan for psychological exploitation of this event by the Special Assistant to the President for Cold War Operations, assisted by the Psychological Strategy Board and its staff.

Note: The action in b–(1) above subsequently transmitted to the Director of Central Intelligence; the action in b–(2) above to the Secretary of State; and the action in b–(3) above to the Special As-

[6]Paragraphs a–b and the Note constitute NSC Action No. 728, circulated separately to the Secretary of State on Mar. 5. (761.13/3–553)

sistant to the President for Cold War Operations, for implementation.

[Here follows discussion of agenda items 2–4, concerning developments in Iran, review of basic national security policies, and NSC status of projects.]

S. EVERETT GLEASON

No. 551

Editorial Note

The announcement of the death of Iosip (Joseph) Vissarionovich Stalin on the evening of March 5 was made by the Central Committee of the Communist Party of the Soviet Union, the Council of Ministers of the Soviet Union, and the Presidium of the U.S.S.R. Supreme Soviet that evening. For text of the announcement, circulated by the Soviet media on March 6, see *Current Digest of the Soviet Press*, volume V, No. 6, March 21, 1953, page 5; *Documents on American Foreign Relations, 1953*, page 133; or *Documents* (R.I.I.A.) for 1953, page 1.

In response to the news of Stalin's death, the Secretary of State ordered the following message delivered to the Soviet Foreign Ministry by the United States Embassy in Moscow:

"The Government of the United States tenders its official condolences to the Government of the U.S.S.R. on the death of Generalissimo Joseph Stalin, Prime Minister of the Soviet Union."

The message, transmitted by the Department of State to Moscow in telegram 702, March 5, was released to the American press by the White House on March 5. In telegram 1261 from Moscow, March 6, Chargé Beam reported that he handed the message of condolence to Acting Foreign Minister Malik for communication to Chairman Shvernik at 4 p.m. that day. (Microfilm telegram files, "Moscow FY 53")

No. 552

INR–NIE files

Special Estimate[1]

TOP SECRET
SE–36

[WASHINGTON,] 5 March 1953.

SOVIET CAPABILITIES FOR ATTACK ON THE US THROUGH MID-1955

THE PROBLEM

To estimate the capabilities of the USSR to attack the continental US by open or clandestine means, through mid-1955.

SCOPE

This estimate is concerned solely with Soviet gross capabilities for attack on the continental US during the period mid-1953 to mid-1955. It does not attempt to assess whether the USSR intends to attack the US during that period or what courses of action the USSR would adopt before, along with, or after such an attack. Furthermore, the paper estimates Soviet gross capabilities for attack on the US without reference to any commitments of military forces which the USSR might make elsewhere and without reference to any advantages which the USSR might gain for an attack on the US by previously occupying territory that is not now within the Soviet Bloc.

PART I

Soviet Gross Capabilities

[Here follow approximately 6 pages of the 8¼ pages of the source text. The omitted portion includes sections headed "Soviet Mass Destruction Weapons", "Delivery of Conventional and Mass Destruction Weapons by Aircraft", "Delivery of Conventional and Mass Destruction Weapons by Other Means", and "Attack on the US with Conventional Naval and Airborne Forces".]

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[1]Special Estimates (SEs) were high-level interdepartmental reports presenting authoritative appraisals of vital foreign policy problems on an immediate or crisis basis. SEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental working groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the National Security Council. The Department of State provided political portions of SEs.

According to a note on the cover sheet of this SE, the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the CIA in the preparation of this estimate. The note further indicates that all members of the IAC concurred in this estimate on Mar. 3, 1953.

PART II

Certain Factors Affecting Soviet Employment of the Foregoing Capabilities Assuming a Soviet Decision To Attack the U.S.

33. The Soviet rulers would expect a direct attack on the United States to precipitate general war. In such a war the Soviet rulers would expect to have an initial preponderance of military power on the Eurasian continent, but in their attack upon the continental US would be concerned to prevent: (a) US retaliatory air attack on the Soviet Union with weapons of mass destruction; (b) mobilization of the superior war potential of the Western allies, particularly that of the United States; and (c) US reinforcement of anti-Soviet forces in Eurasia.

34. The Soviet rulers have demonstrated their sensitivity to the danger of US air attack with weapons of mass destruction by the high priority which they have given to the development of defenses against such an attack. Despite the substantial progress already achieved in building up their defenses, it is unlikely that they would regard their defensive capabilities as adequate to prevent substantial numbers of attacking aircraft from reaching strategic targets in the USSR. It is likely, therefore, that in initiating atomic warfare the USSR would be concerned: (a) swiftly to destroy or cripple US capabilities for retaliation in kind, with particular reference to SAC continental and overseas bases; (b) to deliver such an attack on industrial and psychological targets in the United States as would prevent, or at least hinder, the mobilization of the US war potential; and (c) to retain the means to counter any US reinforcement of Eurasia.

35. As among the available forces and weapons for attacking the continental US, the USSR's highest capability lies in open military attack with atomic bombs delivered by TU-4 type aircraft, for the following reasons:

a. The low capabilities of conventional naval forces and airborne forces.

b. The security and technical difficulties inherent in the delivery of large numbers of atomic weapons by clandestine means, particularly in inland areas.

c. Other methods of delivery of atomic weapons are insufficiently developed for large-scale use.

d. Other mass destruction weapons are insufficiently developed or subject to other handicaps in their large-scale use.

36. The Soviet rulers might, however, employ other methods of attacking the US concurrently with or immediately following an open and direct atomic attack. In the cases of guided missiles, airborne attack, submarine bombardment, and biological warfare,

Soviet capabilities at best appear to be severely limited. They have a greater capability for chemical attack in connection with, or subsequent to, atomic bombing.

37. Large-scale clandestine attack, because of the security difficulties inherent in such action and because of the obstacles to coordinating its timing with that of overt attack from the outside, is unlikely to be used immediately preceding or concurrent with an overt attack. Clandestine attack on a small scale, in the form of sabotage or biological warfare, might occur at any time, and even without an overt attack ever being launched. Subsequent to an overt attack, clandestine attack in any form could be expected to the maximum practicable extent.

38. We believe that the considerations affecting Soviet employment of their capabilities will remain throughout this period essentially the same as those outlined above.

No. 553

Editorial Note

The death of Generalissimo Stalin was one of nine topics taken up at President Eisenhower's Cabinet meeting on the morning of March 6. The minutes of that meeting record the matter as follows:

"1. *Contingency Planning: The Stalin Situation.* The President told the Cabinet that no specific plan for Government action or policy had been developed in advance, despite continuous talk since 1946 about the possibility of Premier Stalin's death. He commented that this situation indicated again the need for services such as Mr. Cutler and Mr. Jackson will perform, and he urged full cooperation with them.

"The President reported briefly on the preparation of his statement to the Russian people." (Eisenhower Library, Cabinet Minutes)

The President's "statement to the Russian people" is presumably the statement issued by the White House on March 4, Document 548.

No. 554

Microfilm telegram files, "Moscow FY 53": Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

CONFIDENTIAL
PRIORITY

Moscow, March 6, 1953—noon.

1257. Embassy officers since early morning have covered greater Moscow area and will continue do so throughout day.

Some few people seen weeping. No conversations overheard concerning Stalin's death. Perhaps population is somewhat more subdued than usually. Group of 400–500 people gathered around Spaski gate of Kremlin early this morning. Larger group later, but not as sizeable as might be expected, in Red Square, apparently instructed by police to stand clear of Kremlin entrance.

General impression Moscow at this point is surprising lack of response to this morning's news of Stalin's death and contrasts with American and British reaction to deaths President Roosevelt and King George.

Committee for organization funeral includes Khrushchev as Chairman, Kaganovich, Shvernik, Vasilievski (Minister of War) Pegov (Secretariat member and alternate member Presidium) Artemev (Commandant Moscow Military District and candidate member Central Committee) and Yasnov (Chairman Executive Committee Moscow Soviet). Latest communiqué states Stalin's body will be placed in the Hall of Columns but no indication as to time when public will have access.

While committee for funeral arrangements not so significant as lineup of honorary pall bearers which will probably be announced shortly it may be of interest that none of popularly presumed successors is included.

BEAM

[1]Repeated for information to London, Rome, Paris, Bonn, and Berlin.

No. 555

Microfilm telegram files, "Moscow FY 53". Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

CONFIDENTIAL
PRIORITY

Moscow, March 6, 1953—4 p. m.

1259. Center of Moscow has been cleared of citizenry. Police cordons ring area from Lenin Library to beyond Bolshoi Theater. Side streets leading to Hall of Columns (where official announcement states body will rest) blocked by parked trucks. Red Square where no less than two thousand people had gathered, now cleared. Despite fact that pronouncement of committee concerned with funeral arrangements has ostentatiously not indicated when public will be permitted access Hall of Columns long line people already formed reaching to Pushkin Square.

Unusual number railroad police seen in railroad stations. Access to Leningrad station made difficult for Embassy officer despite his possession appropriate platform ticket. Inquiry of FonOff regarding access to Embassy for official personnel not resident in Mokhovaya building elicited response that arrangement of such sort not yet made and only temporary permission granted for movement Embassy personnel in automobiles via single street (Ulitsa Kalinina).

BEAM

[1]Repeated for information to Rome, Berlin, Bonn, Paris, and London.

No. 556

Bohlen files, lot 74 D 349, "PSB Meetings"

Memorandum by the Counselor of the Department of State (Bohlen)[1]

TOP SECRET

[WASHINGTON,] March 7, 1953.

1. There is no sign at the present of any lack of control on the part of the Kremlin.

2. It can be confidently predicted that the first reaction of the Kremlin will be to pull itself together tightly and show no sign of

[1]There is no indication on the source text that this memorandum was directed to or seen by anyone. A copy appears to have been circulated to Paul Nitze and Phillip Watts of the Policy Planning Staff. (PPS files, lot 64 D 563) According to the copy of this memorandum in the PPS files, this memorandum was also attached to an otherwise unidentified memorandum of Mar. 7 regarding the proposal advanced by Charles E. Wilson in Document 542.

weakness to the outside world—which may very well mean that the Soviet Union will be harder rather than softer in its relations with other states, for a while at least.

3. At this stage at any rate the Russian people are not involved, i.e., they are playing no part in the transfer of power.

4. Although it is true, of course, that millions of Russians may be rejoicing over Stalin's death, it is also true that millions are weeping. It is a traditional Russian reaction to cry for the death of the Czar, regardless of what kind of ruler he may have been. Stalin, like his Czarist predecessors, has been given a special place in the minds of the Russian people as the all-wise and kindly "father" whose ministers are responsible for the evil deeds of the rulers.

5. If any group (the Army, for example) were planning anything, our interference at this stage would have the effect of causing their elimination more quickly than might otherwise be the case. In any event, all that any such group would want from us would be assurances of material and not moral support. If we are not prepared to give such support it is better to say nothing.

6. In China the situation may develop as the result of Stalin's death which would be to our advantage. In spite of some pretense of originality in the field of Communist theory, Mao has been willing to acknowledge Stalin as the master and to permit Stalin a special place in China's internal propaganda. It is highly doubtful if Mao would be willing to accord any successor, or successors, to Stalin such a position.

7. To a lesser extent, for obvious reasons, there is some of the above element in the internal political situation in the Eastern European satellite states.

8. All of the above are pertinent for the first phase of the post-Stalin era. This means that, with certain possible exceptions, our plans should be directed for exploiting "an emerging situation" which, of course, we must watch from day to day, e.g., helping to stir up some of the developments in China and the satellite states if and as we see them taking form but keeping in mind that we cannot instigate them in the first instance if there is not an original basis for their development in those countries themselves.

9. Perhaps later on we will find it profitable to offer to meet with the Russians on some of the subjects on which we have made no progress in the past—to test out the attitude of the new rulers if for no other reason. In this connection, however, we must keep in mind the likelihood that for some period the new group, or man, will try to carry on what they or he considered Uncle Joe's ideas were. This is something to be watched very carefully, but of course we have very few indications of what Stalin's ideas were. There is a

possibility, however, for example, that he attached some seriousness to the "Reston exchange".[2]

10. Hanging over all of our plans and actions in regard to this developing situation is the question as to whether this nation has now or will find itself shortly committed to the overthrow of the Kremlin regime as contrasted with a willingness to reach even a temporary *modus vivendi* which would be more satisfactory than the present situation.

11. In the circumstances, a direct frontal political or psychological assault on the Soviet structure or leadership would only have the effect of consolidating their position and postponing the possibility of dissension in the top leadership. The possibility to be explored would be some suggestion or proposal of the Western Powers which would present the new leadership with a new diplomatic or political situation not before the Soviet Government during the latter phases of Stalin's life and therefore on which his views would not be known. A suggestion of this nature might be the one for a meeting of the four Foreign Ministers for general discussion without an agenda and for a strictly limited period of time to exchange views.

CHARLES E. BOHLEN

[2]For text, see *New York Times*, Dec. 25, 1952, or *Documents on American Foreign Relations, 1952*, pp. 137-138.

No. 557

Microfilm telegram files, "Moscow FY 53". Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

CONFIDENTIAL Moscow, March 8, 1953—2 p. m.

1271. Atmosphere in Moscow is calm. Crowds in line (about four kilometers long) to Hall of Columns quiet but with little evidence of extreme grief.

Inner section of city heavily policed. Multiple road blocks on streets leading from center composed of trucks parked from building to building. These reinforced with militia and army. No MVD troops seen away from Hall of Columns itself. Only armed troops seen were group in lower section Metro Station near Hall of Columns.

Beyond cordoned area activity seems normal. Markets are open and business is conducted as usual. Noticeable absence of usually

[1]Repeated for information to Bonn, London, Paris, and Rome.

heavy traffic around "B" Circle may be occasioned by mobilization of trucks for road-block purposes.

One American who was here at time of President Roosevelt's death notes in contrast present unemotional atmosphere active grief of citizenry at news President's death.

Last night's decree regarding observance of mourning for Stalin (only five minute cessation of work) certainly not designed increase population's emotional response. Sounding of factory whistles at time funeral follows pattern Lenin obsequies.

Diplomatic Corps yesterday lined up on street next to Kremlin for over hour long wait to view body. Chinese Delegation put ahead of Corps Dean[2] who protested and took lead with wreath from Corps.

BEAM

[2]Swedish Ambassador Rolf Sohlman.

No. 558

761.00/3-853: Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

SECRET PRIORITY Moscow, March 8, 1953—10 p. m.

1272. Following our preliminary impressions on the consequences of Stalin's death and character new government.[2]

While representing a radical departure in outward form from organization at 19th congress, present rearrangement seems attempt to mobilize forces by enhancing and concentrating functions probably performed under Stalin's leadership.

Replacement Stalin's authority apparently being sought in gathering for the present of recognized individual abilities and prestige. Entry of new phase seems underlined in precedence given younger men over Molotov who continues nevertheless in highest sphere and whose importance increased by elimination Stalin's foreign affairs experience. Natural and perhaps best balance has been created in assigning government and party leadership to Malenkov, security to Beria, foreign policy to Molotov and army affairs to Bul-

[1]Repeated for information to Bonn, London, Paris, Rome, and Belgrade.

[2]On Mar. 7, a joint announcement by the Central Committee of the Communist Party of the Soviet Union, the Council of Ministers of the Soviet Union, and the Presidium of the Supreme Soviet described a set of sweeping changes in the Soviet Government and party leadership. The most apparently significant change was the designation of Georgiy Maksimilianovich Malenkov as Chairman of the Council of Ministers.

ganin. How long this balance will last in view traditional power rivalry Communist leaders we simply do not know, but it may be presumed government constitutes team used to working with each other.

The very speed, however, with which Malenkov was able to take over need not mean possible differences are permanently settled but may have been forced by need of filling vacuum of authority as far as possible and discouraging any tendencies toward "disorder and panic" to which revealing reference made in communiqué. In meantime any myth Stalin is indispensable seems to be counteracted by relative haste with which he is being disposed of and by government's stated determination to proceed under the emblem of national and party unity.

Interesting to note that Malenkov, Beria and Bulganin have advanced through hierarchy as technicians and competent administrators. Molotov and Kaganovich sole remaining revolutionary Bolshevik links. Stalin's successors not necessarily less ruthless but they may apply different methods. Whether or not reduction of party secretariat means decrease party influence, latter's role may undergo some adjustment tending toward further fusion with state structure. Zhukov's public reappearance as Deputy War Minister after long period relegation may be significant attempt to add weight professional army to political balance. Changes in organization of strategic industries and foreign office seem attempt to intensify control over both war potential and foreign policy.

Obvious Stalin's death strikes blow to Soviet international Communist leadership against which Russians ill prepared. Determined steps will doubtless be taken to maintain present holdings in satellites. Early change foreign policy unlikely, particularly as new regime would find it difficult make conciliatory divergencies. Question of course is whether Mao Tse-tung will be less tractable to direction of syndicate which has yet to prove its ability to survive. While Mao Tse-tung may feel more able to treat with Soviet Union on basis ideological and political equality, he will, of course, depend on Russia for support in Korean war and on still longer term basis for assistance in carrying out basic Chinese industrialism program. His importance has been clearly recognized in precedence and special attention accorded Chinese over all other Communist associates.

BEAM

No. 559

Microfilm telegram files, "Moscow FY 53": Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

CONFIDENTIAL
PRIORITY

Moscow, March 9, 1953—6 p. m.

1275. In accordance Secretary's instructions Department telegram 707,[2] I attended Stalin funeral ceremonies as special US representative. In comparison other state funerals I have witnessed, namely General Pershing's in 1948 and that of General Von Fritsch in Berlin in 1939, arrangements were casual but ceremony could not help but be impressive against background Red Square. Chief emphasis was on satellite participation, particularly that of Chinese.

Without any active discourtesy being shown, non-Communist delegations and missions were definitely less favored. Our presence was required at Hall of Columns 8:50 when we were left standing for more than hour at one side while last deserving Russian public servants filed past Stalin bier. At 10:00 the large satellite delegations were brought in and placed in front of us, followed by top Russian generals in front of them. Finally at 10:15 new Soviet Government leaders entered taking their place in forefront. After a few minutes further playing ceremonial music, lid was placed on Stalin's coffin with bearers led by Malenkov and including Chou En-lai bore bright red chiffon pall and straining heavily took it from hall. After satellites we took our place in procession behind coffin on gun carriage at dead march, proceeding to Red Square within half block past our Embassy where our flag at half mast was in sight of everybody. We were flanked by two moving columns of soldiers and were courteously attended by Foreign Office and/or secret police officials in plain clothes in our ranks who showed us to places on abutments Lenin's tomb. Latter quietly interposed themselves between us and leading Soviet and satellite groups each time they ascended and descended from top of mausoleum. Sole name of Lenin had been erased and two names Lenin and Stalin substituted in smaller letters over entrance.

After exactly one hour of speeches by Malenkov, Beria and Molotov[3] coffin borne by same pallbearers into tomb shortly before noon

[1]Repeated for information to Bonn, London, and Paris.

[2]Dated Mar. 7, not printed. (611.61/3-753)

[3]In telegram 1277, Mar. 9, Beam provided a brief summary report on these three speeches. The telegram reads in part as follows:

Continued

when salutes fired and factory whistles blown. Following return pallbearers who resumed their places on top of mausoleum striking break occurred with playing national anthem and introduction lively martial music for military march-past which finally ended with over-flight military airplanes. Relaxation followed when top group began chatting with each other and ceremony ended with final descent into tomb by leading Communist spectators followed by diplomatic corps.

To say the least, while all proprieties observed, Stalin last rites comparatively unaesthetic, considering magnificent facilities which could have been made available in Kremlin in keeping with his stature as great Soviet leader. (Under Communists Kremlin of course no longer popular property.) Peculiarly incongruous that Stalin is placed even temporarily as darkened corpse in narrow aisle on side Lenin's lighted bier.

With gradual removal police lines groups of the curious frequent Red Square but life outwardly returning to normal indicating that whatever check was produced by first announcement Stalin's illness is wearing off.

BEAM

"Of three speeches today at Stalin rites, only Molotov's seemed to be real funeral oration. From his voice was obvious, he was shaken, and bulk his speech was devoted to Stalin and his accomplishments.

"Malenkov and Beria on other hand were obviously in complete control of themselves and they devoted most of their attention to charting future course of Soviet State. Malenkov made general outline, indicating that same policies would be carried on. In connection with his foreign policy statement that Soviet Union would strive to avoid war and to live in peace with all countries he hedged considerably when he said that governments should serve their peoples and that people of whole world wanted peace."

The telegram continues:

"Beria's speech, while much in same vein as Malenkov's had two interesting additions. First was emphasis on guarding party, vigilance of armies, et cetera, all warning that no one had better interfere with party's policies. Second important addition of course was his statement that all government and Communist organs had decided to continue policy of country uninterruptedly and that one of decisions they took in this connection was appointment of Stalin's comrade in arms, Malenkov, as Chairman of Council of Ministers." (Microfilm telegram files, "Moscow FY 53")

No. 560

PPS files, lot 64 D 563, "USSR"

Memorandum by the Director of the Policy Planning Staff (Nitze) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] March 10, 1953.

Subject: Exploitation of Stalin's Death

In the event that it is decided that the next few days are not the best time to exploit the situation created by Stalin's death, it is possible that a real possibility may arise in the next few months. The following program is suggested for your consideration to exploit such a possibility:

a. That we make a settlement of the Korean armistice issue the principal immediate target. A settlement of this issue would be important (1) in improving our military strategic flexibility; (2) in removing a point of potential danger to the Western alliance and thus increasing our political flexibility; and (3) in creating a situation in which the possibilities of developing rifts between Mao and Malenkov, and possibly within the Soviet regime, would be enhanced.

b. That we make this effort in a serious, therefore covert, way rather than as part of a propaganda program.

c. That we be prepared to take substantial risks and pay substantial costs in order to achieve success.

A more detailed spelling out of the above might include the following elements:

a. Getting Bohlen to Moscow within the next week or two.

b. Dropping exploratory hints in Moscow or to Soviet or satellite diplomats at the U.N. or elsewhere that serious negotiations on non-Korean matters could be held if, but only if, the Korean armistice issue could be settled and then seeing what reaction we get.

c. Following General Clark's recommendation, release to the ROK economy the 35,000 North Korean POW non-returnees now held by us, but not the 15,000 Chinese non-returnees.

d. Bohlen to approach Molotov to initiate negotiations regarding a Korean settlement. Our position should contain an overtone of really significant military action in the event the negotiations were unsuccessful. This overtone should be no mere bluff.[2]

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[1]A handwritten notation on the source text reads: "Used at NSC Briefing, 3-10-53." Such a briefing, presumably held in the Department of State in advance of the NSC meeting of Mar. 11 (see Document 566), has not been further identified.

An earlier version of this memorandum, dated Mar. 9, virtually identical to the text printed here, is in Bohlen files, lot 74 D 349, "PSB Meetings."

[2]The entire paragraph "d." in the source text was circled in pencil and a handwritten notation on the margin reads: "*No.* W. B. Smith."

e. We should be prepared to offer an all for all exchange of prisoners except for the 15,000 Chinese non-repatriates whose disposition would be the subject of the subsequent political discussion contemplated by the Armistice Agreement.

f. At an appropriate time, the President might make a speech somewhat along the lines of the Hughes' draft,[3] but making a high-level meeting contingent on the prior settlement of the Korean armistice issue.

PAUL H. NITZE

[3]Not found in Department of State files or the Eisenhower Library.

No. 561

PPS files, lot 64 D 563, "USSR"

Memorandum Prepared by the Counselor of the Department of State (Bohlen)[1]

TOP SECRET [WASHINGTON,] March 10, 1953.

POLICY IMPLICATIONS OF STALIN'S DEATH

I

The great menace to the United States and its interests has been the control exercised by a hand-full of men in the Kremlin over some 800 million people. In past circumstances, this group of men therefore could, without previous warning, involve the totality of the Soviet or Soviet-controlled empire in an attack on the United States. The death of Stalin may offer, with the progress of time, opportunities to weaken and disrupt the cohesiveness of this bloc and in particular the direct control of the Kremlin over the Eastern European satellites and its influence over Communist China. The impulses of nationalism would seem to be the chief element working against the continuance of[2] Soviet control over the non-Soviet countries in this bloc.

The mystique and symbolism of Stalin's name assiduously cultivated by the Soviet propaganda machine was a very important factor in the Soviet system of control. His connection with the original revolution and association with Lenin, and the continuous

[1]A notation on the source text reads: "Prepared by Mr. Bohlen (rec'd 3/10/53)". The source text also indicates this memorandum was seen by Nitze and Phillip Watts of S/P. An identical copy is in Bohlen files, lot 74 D 349, "Misc Memoranda, Letters 1953." This memorandum is in the same PPS files as Nitze's memorandum, *supra*, and was presumably used in the same context as that memorandum.

[2]The handwritten word "unilateral" is inserted in the source text at this point.

buildup as an individual enjoying super-human qualities, not only facilitated the original imposition of Soviet control in Eastern Europe and in the establishment of primary influence in Communist China but was also a vital factor in its perpetuation. The manner in which the name of Stalin facilitated Soviet control was subtle but nonetheless real. It is doubtful if the mystique of his name had any effect on the attitude of the peoples of the countries concerned but it was, however, of considerable assistance to the local Communist leaders who could reconcile more easily whatever nationalist feeling they may have possessed with the fact of Soviet domination by reason of the international revolutionary heritage associated with the name of Stalin. It may be anticipated that the natural force of nationalism which was in part diluted by the prestige of Stalin will begin increasingly to assert itself against straight Russian domination. Neither Malenkov, nor Molotov, nor Beria enjoy any prestige comparable to that of Stalin. Our policy in all its aspects should keep this factor very much in mind.

In short, it may be stated that the death of Stalin will remove one of the elements which was able to confuse and disguise to some extent the reality of naked Soviet imperialism in the Eastern European countries. It must be recognized, however, that the element of straight Soviet control is so powerful within these Eastern European countries that the process of increased nationalism may be a very long-term process. It is doubtful if any of the present leaders in the satellite countries command sufficient following among their people on a nationalist basis to act as representatives of national sentiment in any attempt to break away from Soviet control. It is improbable moreover that the people themselves will be able to take any action or exercise any important influence until this control is weakened if not broken.

Our policy in all its aspects should be constantly alert to the possibility of the emergence of nationalism as a force in Eastern Europe and China and be prepared to encourage and support any such indications in the manner best designed to be effective in hastening the disintegration of the Soviet empire. It is doubtful, however, if at this particular period or in the immediate future direct foreign exhortation or instigation would be wise as it might assist the Soviet Union in the process of consolidation which it is our central aim to prevent and possibly diminish or at least postpone the emergence of the natural forces making for dissension within that empire.

Possibly the most effective area for exploitation will be in the field of the Soviet-Communist Chinese relationship. Since it is doubtful that Soviet control over Communist China is anywhere near as complete as it is in the case of the European satellite coun-

tries, there should logically be greater opportunity for independent Chinese action. Furthermore, in the field of ideological leadership, Mao Tse-tung may have been willing to play the part of younger brother to Stalin but will most certainly not accept willingly any subordinate role in this field to Malenkov. The proper political or psychological exploitation of this possibility will of necessity involve the consideration of our relations with the Chinese Nationalist Government. If the possibility of a rift between the Soviet Union and Communist China becomes a real possibility and not a theory, as it must remain at present, the question of the Chinese Nationalist Government and our relation to it will be immediately brought to the fore. It is, however, premature to deal with this problem at this time and it would be most unwise to do so.

II

Soviet Policy

There are no indications as yet that there are great opportunities for exploitation insofar as the Soviet Union is concerned. The USSR presents a special problem and the considerations of nationalism are not as directly visible in the case of that country.

The long-term implications of Stalin's death will undoubtedly be extremely important in their effect upon Soviet foreign policy. At the moment, however, the following facts may be noted:

1. We have no indications that the situation is not well in the hands of the new rulers. It is true that the instructions of the Central Committee and the Council of Ministers refer to the difficult situation and "the prevention of any kind of disarray and panic". These would appear to be less expressions of concern at possible disturbances or troubles in the country as a whole than a call for unity and possibly a discreet note of warning to certain party organizations.

2. At this stage, at any rate, the Russian people are not directly involved in that they are playing no part in the transfer of power.

3. It is to be expected that the first preoccupation of the new leadership will be to close ranks and present a united front, both to the country and particularly to the outside world. There will be an increase of the normal tendency of dictators to avoid any sign of weakness vis-à-vis their external enemies, in this case primarily the United States.

4. This preoccupation against any show of weakness will probably be accompanied by great prudence and caution in regard to any new Soviet adventures or aggressive actions. Any measures on Soviet initiative which would run the serious risk of war would obviously be dangerous for the new regime. However, by the same token the new leadership will almost certainly be prepared to take great risks to avoid the physical loss of any territories or areas they have inherited from Stalin. Thus, Soviet foreign policy for a considerable period would appear to remain virtually unchanged

from the last phase in which Stalin was alive. It may become even more truculent in speech but in all probability, unless the defense of a previous position is involved, cautious in initiating new and risky adventures.

III

Policy Guides

While it is not possible to predict accurately developments, the following, at this juncture, might be accepted as sound guides to our policy:

1. We must stand resolutely and firmly on all present positions and not be deflected in any of the policies for the increase of strength and unity in the free world. Any sign of weakness on our part would be most dangerously interpreted by the new leadership.
2. Failing some sign of internal disorder or loss of control, either in the Soviet Union or over the satellites, of which up to the present there have been no signs, there would appear to be little advantage in stepping up cold war pressures, since increased expressions of hostility would probably materially assist the new leadership in the consolidation of its position and postpone the growth of dissensions and rivalries which are certainly latent in Soviet-satellite and Soviet-Chinese relationship as well as within the Soviet ruling group itself.
3. The Department of State is examining urgently the possibility of some initiative on the part of the West which might confront the new leadership with a new situation regarding decisions not previously made under Stalin.

No. 562

Bohlen files, lot 74 D 349, "PSB Meetings 1953"

Memorandum by the Under Secretary of State (Smith) to the Acting Director of the Psychological Strategy Board (Morgan)[1]

TOP SECRET [WASHINGTON,] March 10, 1953.

Subject: Comments by Department of State on the Draft Outline of Plan for Psychological Exploitation of Stalin's Death[2]

Reference: NSC Action 728, para b (3)[3]

1. The following are the preliminary comments of the Department of State on the reference paper which was prepared by an *ad hoc* PSB Working Party.

[1]Drafted by Robert W. Tufts of the Policy Planning Staff.

[2]The "Draft Outline" is not printed. The final version of the plan, reviewed and revised by the PSB on Mar. 19, was circulated as PSB D-40, Apr. 23. (PSB files, lot 62 D 333, "PSB Documents")

[3]See footnote 6, Document 550.

2. With respect to the "Plan for Psychological Operations" outlined in Part II, Section 1c and 1d and Section 2, the Department understands that operations are now being carried out along these lines and believes that the agencies concerned should continue to operate along these general lines. Paragraphs 2a(3), 2a(7), and 2a(11) should be reconsidered with a view to determining whether these tasks should be undertaken covertly and might be contra-productive if undertaken overtly.

3. With respect to Part I, Assumption 3a, it should be noted that these and other relevant policy papers are now under review by the NSC and that in the course of this review changes in policy with respect to specific countries and areas may be made to which psychological operations would have to be adjusted.

4. With respect to Assumption 3b, the Department believes that the assumption is correct. It does not follow, however, that the best way to exploit Stalin's death at this time is by an aggressive heightening of cold war pressures, especially in the field of covert propaganda. Indeed, increased pressures at this time will probably tend to assist the new regime to consolidate its position and might thus prevent the later emergence of opportunities which could be exploited.

5. With respect to Assumption 3d, the Department does not believe that a major Presidential speech along the lines indicated would be an advantageous move at this time, and that indeed it might well be contra-productive. The Department has the following specific comments:

a. There should be thorough prior consultation with our major allies, particularly the U.K. and France. Without such consultation and agreement on the purposes to be pursued in such a meeting of Foreign Ministers, the Soviet regime might be able to use the meeting to create divisive tendencies.

b. The Department has seen a draft of the proposed speech which would commit the United States in advance to lay specific and concrete proposals before the meeting of Foreign Ministers on a wide range of subjects. The preparation of such proposals and consultation with our allies would require several months. In any event, the U.S. should not commit itself to make such proposals before it has formulated these proposals. To do otherwise might result in serious embarrassment to the President. If there are overriding reasons outside the field of foreign affairs for a Presidential speech at this time, the Department strongly recommends that the speech should not propose a meeting of Foreign Ministers or commit us to make specific proposals for the relaxation of international tensions.

c. The Department believes that any speech of this kind will almost certainly delay progress on EDC.

6. With respect to Part I, Section 4, the Department is in general agreement with the estimate but believes that an additional point

should be added to the effect that the peoples of the Soviet Union are definitely not playing a major role in the present situation: The Department also believes that paragraph b(3) overstates the degree to which the role of the military has increased.

7. With respect to Part I, Section 5b ("Aims"), the Department believes that efforts to pursue all of these aims simultaneously would tend to be self-defeating. Once the main direction of our effort has been established, it will be possible to develop a psychological plan to support this main effort.

8. With respect to Part III, the Department believes that a sharp heightening of cold war pressures at this time would not be advantageous as a means of exploiting Stalin's death. The Department further believes that Part III should be dropped for the time being. As decisions along the lines suggested or along other lines are taken, psychological plans can be revised and adjusted in order to take advantage of these decisions.[4]

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[4]In a four-page memorandum to C. D. Jackson on Mar. 10, Tufts outlined in some detail his dissatisfaction with the "Draft Outline" printed here. Tufts circulated his memorandum to Jackson to Matthews and Nitze under cover of a memorandum of Mar. 10 that reads in part as follows:

"Over last weekend I worked at the PSB headquarters on an *ad hoc* PSB Working Party to develop a 'crash' plan for the psychological exploitation of Stalin's death, having been directed to do so by Mr. C. D. Jackson, Special Assistant to the President.

"In the course of this effort I had a long discussion with Mr. C. D. Jackson in which I tried to develop the reasons why, although I thought the U.S. Government should fully exploit any opportunities afforded by Stalin's death, I did not think the plans being discussed were wise. My major point was that a psychological plan should be developed to support the main effort of the U.S. Government, whatever that might be, and that it was difficult to devise a satisfactory psychological plan until the direction and nature of this main effort were known.

"The attached memorandum is an effort to develop the underlying rationale for my position, for I did not feel sure that I had succeeded in clearly developing this in my discussion with Mr. Jackson." (761.13/3-1053)

No. 563

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum by the Administrative Assistant to the President (Hughes) to the President

TOP SECRET WASHINGTON, March 10, 1953.

Subject: Diplomatic and Propaganda Situation Created by Stalin's Death

As you know, the opportunities and problems in this situation have been lengthily explored by all agencies concerned for the last several days.

This report briefly summarizes the division of opinion now clearly apparent and certain to be expressed in detail at tomorrow's NSC meeting.[1] It has been reflected in conferences with C. D. Jackson and his special task force,[2] with Mr. Bohlen, and in a report the latter has sent me of his and General Smith's attitude.[3]

The debate turns on the proposition that: (1) the U.S. should propose in a message to the Soviet Union a meeting of the Foreign Ministers of the Soviet Union, France, Great Britain and the U.S. (2) this should be made public in a short speech by you, stating the proposal and the underlying purposes in making it.

This line of political warfare is urged by Mr. Jackson, and the report prepared by his special committee—elaborating propaganda techniques to be exploited at this time—is virtually predicated entirely on this action. It is favored with the contentions that:

(1) The present offers a unique opportunity to exploit all stresses and strains within the Soviet system.

(2) A substantial speech and proposal by you is necessary to seize the political initiative, to get and keep the Soviets on the defensive.

(3) The concrete proposal for a Foreign Ministers' meeting would (a) probably present the new Soviet leadership with a sudden problem which it is unprepared to handle (b) if rejected, give the U.S. a huge propaganda advantage and (c) if accepted, give us the opportunity to press our case on a variety of points—from Germany to Korea—against an opponent who has not had time to collect his wits.

(4) It would be political folly to allow the new Soviet leadership time to compose itself, assure domestic order and resume the foreign initiative.

This approach was quite fully explored in a meeting Mr. Jackson and I had with "Chip" Bohlen and Paul Nitze, head of State's Policy Planning Board.[4]

The latter have reviewed the whole scene with General Smith and the top officers of the Department of State. Mr. Bohlen has reported to me their disagreement with the above. Their reasons can be summarized:

(1) The immediate present is probably *not* the time of maximum opportunity in dealing with the new Soviet leadership. For the present, this leadership is bound into unity by a forced sense of urgency—a we-must-hang-together-or-we-shall-hang-separately state

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[1]See Document 566.

[2]Presumably reference is to the *ad hoc* PSB Working Party which prepared the "Draft Outline of Plan for Psychological Exploitation of Stalin's Death", not printed. Regarding the final version of the plan, see footnote 2, *supra*.

[3]Presumably reference is to a letter of Mar. 9 from Bohlen to Hughes. (Bohlen files, lot 74 D 349, "PSB Meetings")

[4]No record of such a meeting has been found.

of mind. Stress and dissension will take time, some weeks or months, to manifest themselves.

(2) Any serious proposal of the nature of a Foreign Ministers meeting would demand careful prior consultation with the British and French—demanding at least some delay before it could be made.

(3) Without the content of such a proposal, a Presidential speech would have neither substance nor clearly defined purpose.

(4) The announcement of a proposed or agreed-upon Foreign Ministers meeting would tend to throw into low gear all the work on the EDC—whose acceleration has just been urged so strongly on Mr. Eden.

As you can see, all this resolves itself into a clear, simple conflict between two propositions:

a. Presented a unique opportunity to exploit the deep and inherent weaknesses of the Soviet system, we cannot afford to fail to act affirmatively and quickly.

b. Presented a situation of unknown potentialities, we can well afford to give the internal stresses of the Soviet system time to become acute—and, in the meanwhile, nothing is better calculated to increase Soviet nervous strain than studied American silence.

EMMET J. HUGHES

No. 564

Eisenhower Library, Eisenhower papers, Whitman file

Prime Minister Churchill to President Eisenhower[1]

TOP SECRET [LONDON, March 11, 1953.]

I am sure that everyone will want to know whether you still contemplate a meeting with the Soviets. I remember our talk at Bernie's[2] when you told me I was welcome to meet Stalin if I thought fit and that you intended to offer to do so. I understood this as meaning that you did not want us to go together, but now there is no more Stalin I wonder whether this makes any difference to your view about separate approaches to the new regime or whether there is a possibility of collective action. When I know how you feel

[1]Transmitted in a letter of Mar. 11 from British Ambassador Sir Roger Makins to President Eisenhower.

[2]Presumably reference is to Bernard Baruch, financial expert and sometime adviser to various U.S. Presidents. Prime Minister Churchill visited the United States in January 1953. In the course of that visit, Churchill met with then President-elect Eisenhower at Baruch's home. A general recollection of that meeting appears in Eisenhower, *Mandate for Change*, p. 97. No official record of the conversation has been found.

now that the personalities are altered I can make up my own mind on what to advise the Cabinet.

I have the feeling that we might both of us together or separately be called to account if no attempt were made to turn over a leaf so that a new page would be started with something more coherent on it than a series of casual and dangerous incidents at the many points of contact between the two divisions of the world. I cannot doubt you are thinking deeply on this which holds the first place in my thoughts. I do not think I met Malenkov but Anthony and I have done a lot of business with Molotov.

I am so glad we have reached an agreement about joint negotiations in Egypt.

Kindest regards.

WINSTON

No. 565

711.11 EI/3-1153:

President Eisenhower to Prime Minister Churchill[1]

TOP SECRET [WASHINGTON, March 11, 1953.]

The subject raised in your message of today[2] has been engaging our attention here for some days. We are convinced that a move giving to the world some promise of hope, which will have the virtues of simplicity and persuasiveness, should be made quickly. A number of ideas have been advanced, but none of them has been completely acceptable.

At our meeting in New York[3] I by no means meant to reject the possibility that the leaders of the West might sometime have to make some collective move if we are to achieve progress in lessening the world's tensions.

However, even now I tend to doubt the wisdom of a formal multilateral meeting since this would give our opponent the same kind of opportunity he has so often had to use such a meeting simultaneously to balk every reasonable effort of ourselves and to make of the whole occurrence another propaganda mill for the Soviet. It is entirely possible, however, that your government and ourselves, and probably the French, should agree upon some general purpose and program under which each would have a specific part to play.

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[1]Transmitted in telegram 6047 to London, Mar. 11, for immediate delivery to Prime Minister Churchill.

[2]*Supra.*

[3]See footnote 2, *supra.*

I am sure that Foster Dulles will attempt to keep in rather close touch with Anthony regarding possibilities and any tentative conclusions we may reach.

Warm regards.

IKE

No. 566

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 136th Meeting of the National Security Council, Washington, March 11, 1953[1]

TOP SECRET EYES ONLY

Present at the 136th meeting of the Council were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; and the Director for Mutual Security. Also present were the Secretary of the Treasury; the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission[2] (for Item 1 only); General Collins for the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Administrative Assistant to the President for National Security Matters; the Special Assistant to the President for Cold War Operations; the Military Liaison Officer; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a general account of the main positions taken and the chief points made at this meeting.

[Here follows discussion of agenda item 1, "The Development of Practical Nuclear Power".]

2. The Effect of Stalin's Death (NSC Action No. 728;[3] SE-39[4])

The Director of Central Intelligence led off discussion of this item with an oral summary of the special estimate (SE-39) on the subject prepared in response to the Council's request at the previous meeting. In commenting on the governmental changes in Russia which would follow upon Stalin's death, Mr. Dulles noted its striking similarity to the close-knit organization for defense set up by Stalin during the second World War. The great question confronting intelligence officers was to determine whether this new set-up in Russia constituted personal dictatorship by Malenkov, or some sort of committee control. Mr. Dulles thought the latter the

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[1] Drafted by Gleason on Mar. 12.

[2] Lewis L. Strauss.

[3] See footnote 6, Document 550.

[4] *Infra.*

more likely. Certainly, he went on to say the new regime in the Soviet Union was less sure of itself than its predecessor. It may not be more adventurous than the Stalin regime, but it may also prove less successful in handling itself and the outside world.

Mr. Dulles then discussed first the effect of Stalin's death on the Communist Parties outside the USSR. The fringe membership of these Parties, he believed, might now be more vulnerable, but the hard core membership would be but slightly affected. It was unlikely that Kremlin control of the satellites would be seriously threatened, and he anticipated no significant change in the hostility of Yugoslavia toward the Kremlin. Similarly, no immediate change was to be anticipated in Russia's relations with Communist China, though Moscow would have to deal with Mao with the utmost care and tact.

Thereafter, Mr. Dulles summarized the reactions of the foreign offices of the free world toward Stalin's death, noting that in most instances these countries favored a policy of proceeding with great caution.

At the conclusion of Mr. Dulles' estimate, the President reiterated a belief which he had stated earlier to the Council, that Stalin had never actually been undisputed ruler of the Soviet Union. Contrary to the views of many of our intelligence agencies, the President persisted in believing that the Government of the Soviet Union had always been something of a committee government. From personal experience the President believed that had Stalin, at the end of the war, been able to do what he wanted with his colleagues in the Kremlin, Russia would have sought more peaceful and normal relations with the rest of the world. The fact that the Soviet Union instead chose cold war seemed to the President an indication that, in some degree at least, Stalin had had to come to terms with other members of the Kremlin ruling circle.

Thereupon, Mr. Jackson undertook to explain to the Council the manner in which he had carried out its directive of last week regarding the plan for psychological exploitation of Stalin's death,[5] to be prepared by himself with the assistance of the Psychological Strategy Board and its staff. The plan which had been drawn up, he said, was based firmly on approved NSC policy recommendations beginning with NSC 20/4.[6] It was likewise based on the assumption that the United States Government would exploit Stalin's death to the limit of psychological usefulness, on the assumption that the United States required a unified plan to accomplish its objectives, and finally, on the assumption that Stalin's death

[5]See Document 562.

[6]Dated Nov. 23, 1948; for text, see *Foreign Relations*, 1948, vol. I, Part 2, p. 662.

had provided the United States Government with its first significant and normal opportunity to seize the initiative. It seemed to Mr. Jackson that the use of the words "disarray", "panic", and "lack of unity", in Malenkov's recent speeches, was very significant. The use of such terms either constituted a serious boner by the new Russian regime, or else it indicated genuine concern over the peaceful transition to the new authority. Furthermore, Mr. Jackson stated that the draft plan was to be considered both as a dramatic psychological move and also as a serious policy proposal not to be dismissed as merely a propaganda effort. The point of departure in the plan was an address by the President to be made as early as possible and not later, he hoped, than the first of next week. The draft of such a Presidential address had been prepared.[7] It contained no mere pious platitudes, but a real bite. Notably, it had the President call for a Foreign Ministers Conference of the Big Four, in the course of which the United States would set forth its desire to negotiate all the major outstanding issues between the free world and the Soviet Bloc, including the unification of Germany and disarmament. However, said Mr. Jackson, everything in the plan was to flow from the initial move, the President's address. From the moment of delivery of that speech all the arms of the United States Government, all the Embassies and missions abroad, all the other facets of American power and influence, were to be linked closely together in the pursuit of the objective. The follow-up would have to be swift, sure, and coordinated.

Mr. Jackson then noted that of course objections to his plan had been raised in the course of putting it together. Most of the objections centered in the Department of State. Mr. Jackson proposed to discuss these objections, but Secretary Dulles interposed to say that perhaps this task had best be done by him. Mr. Jackson readily agreed, but said he did wish to point out that we are, as he put it, ready to shoot. He was convinced that this was the greatest opportunity presented to the United States in many years to seize the initiative, and that that initiative ought to be seized even if this Government had to proceed unilaterally. The plan which he drafted, said Mr. Jackson, was in line with the views that President Eisenhower had set forth in the course of his campaign, as well as the views during the same period enunciated by Secretary Dulles. There was nothing in it new and strange and nothing which, it seemed to him, would not fit into the framework of this Administration's thinking on psychological strategy.

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[7]The Mar. 20 draft is not printed. (PPS files, lot 65 D 563, "President's Speech") For an account of the preparation of the address, see Document 594. The address is printed as Document 583.

Secretary Dulles began his statement by observing that he personally did not endorse all the objections to Mr. Jackson's plan which had been raised in the State Department. He agreed, for example, that Stalin's death did afford the United States an opportunity to effect changes in the Communist world which might well reduce the threat which the Soviet world presented to the free world. As he saw it, the present menace of the USSR consisted in the complete control of a vast area by a handful of men who could use their power with impunity. This terrible concentration of power had largely been created, according to Secretary Dulles, by a process in which the normal urges of nationalism in the satellite states had been channelled and transformed into virtual worship of Stalin as a demi-god. As a result of this process, the Communist leaders in the satellite countries had been able to hand over to Stalin control of their countries without conscious loss of the national prestige. All this was possible while Stalin lived; but the Communist leaders in the satellites would experience far greater difficulty today in subordinating the impulse of nationalism in their respective countries to the relatively unknown individual who had taken Stalin's place. Therefore, what we must do, continued the Secretary, was to play up this nationalism and discontent for all it was worth, to seize every opportunity by this device to break down the monolithic Soviet control over the satellite states.

We have had plenty of experience ourselves as to the difficulties of keeping a coalition together, said Secretary Dulles. It may be that the Soviets will soon experience similar or worse difficulties in their own coalition. Thus nationalism is the great theme to be developed as the means of breaking down the Stalinist structure. But Secretary Dulles warned that we have a problem of our own. We too have a coalition to manage. In our attempt to destroy the unity of the Soviet orbit we must not jeopardize the unity of our own coalition. We must draw together and not fall apart at this moment in history, and it seemed especially doubtful to the Secretary of State as to whether this was the appropriate moment to carry the offensive direct to the Soviet Union. The Soviet was now involved in a family funeral, and it might be best to wait until the corpse was buried and the mourners gone off to their homes to read the will, before we begin our campaign to create discord in the family. If we moved precipitately we might very well enhance Soviet family loyalty and disrupt the free world's.

Furthermore, Secretary Dulles stated his belief that another consideration should be uppermost in our minds at this time. This was a moment in history when the people of the United States and of the free world generally feel that some great new effort should be made to stake out a new course. We mustn't let this opportunity

pass or let our people down. We certainly cannot be totally negative in our reactions to what had occurred in Russia, but whatever we do decide to do must be done carefully and with equal consideration as to its effect on the USSR and on the free world. Accordingly, with regard to Mr. Jackson's specific proposal of a meeting of the Foreign Ministers, Secretary Dulles could not but feel that such a meeting would have quite disastrous effects on our ties with our allies unless we obtained their prior consent to the agenda for such a meeting. They would believe our leadership erratic, venturous, and arbitrary. Secretary Dulles said he felt especially concerned at the proposal in Mr. Jackson's plan, to place discussion of German unity on the agenda for such a Foreign Ministers meeting. Discussion of German unity in such a forum at this time would ruin every prospect of ratification of the European Defense Community by the parliamentarians of the several states. It would undermine the positions of Chancellor Adenauer[8] and of Prime Ministers Mayer[9] and de Gasperi[10] who had actually staked their futures on the ratification of the EDC treaties.

In addition to this, if we call the new Soviet regime to take part in a Foreign Ministers Conference, history proved that the Soviets would simply dig up all their old plans for Foreign Ministers meetings, would resort to all their devices for delay and obstruction. Nothing positive would be achieved, and meanwhile the neutralists, and all those who were hostile to a more united Europe, would take new heart. Secretary Dulles said that he was in no position to guarantee that the great EDC plan would materialize, whatever we did, but he was sure that the proposal to discuss German unity with the Soviets in a Foreign Ministers Conference was tantamount to inviting the fall of the French, German and Italian Governments, and possibly even rendering Mr. Eden's position in the British Government untenable. Thus he felt compelled to advise against this part of Mr. Jackson's plan.

Turning now, Secretary Dulles said, to something positive and constructive, he suggested that the President's speech should substitute, for the proposal of a Foreign Ministers Conference, a call for the end of hostilities in Asia generally, and in Korea and Indo-China specifically, under appropriate safeguards. If the new Soviet regime could be persuaded to agree to something like this, the path would be open to further negotiations on other matters. Such an approach seemed to the Secretary of State better than to begin from the European end. But in any case enough should be done

[8]Konrad Adenauer, Chancellor of the German Federal Republic.
[9]René Mayer, French Premier.
[10]Alcide De Gasperi, Italian Prime Minister.

now to satisfy American opinion that no attempt to cause the Soviet to change its spots had been let unexplored.

When the Secretary of State had concluded his opening remarks, the President asked him in what form he would present his ideas to the world.

Secretary Dulles replied that he agreed that the opening gun should be a speech by the President. Mr. Jackson added that this could be done over television, the address to be directed, on the one hand, to the peoples of the Soviet Union and, on the other, to the peoples of the United States and the free world.

The President inquired how it would be possible, in view of the jamming, to get any such message through to the peoples of the Soviet Union.

Mr. Jackson replied that while there might indeed be jamming of any broadcast to the peoples of the Soviet Union, the President's message would certainly get through to the officials of the Soviet Government and would be widely heard in the satellite states.

The President then informed the Council that he had received some days ago, and prior to the death of Stalin, a suggestion for a speech from Mr. Sam Lubell, for whose opinions the President had considerable respect. Lubell had written the President of his belief that in our efforts to influence the Soviets as well as the people of the free world, we should give up any more appeals with regard to specific issues, such as Korea, and concentrate instead on our determination to raise the general standard of living throughout the world; to suggest, for instance, that no more than 10% of the resources of the different countries of the world should be devoted to armaments, and all the rest to the provision of food, shelter, and consumers goods. The President noted that the peoples of the Soviet Union had for years now been promised, after the completion of each successive Five-Year Plan, that their own personal needs and aspirations would be considered by their government. They had been disappointed in each case. Accordingly, what we should now do is propose that the standard of living throughout the world be raised at once, not at some indefinite time in the future. Such an appeal as this might really work. On the other hand, the President said, he could not but share Secretary Dulles' anxiety about the wisdom of a four-power meeting. We all know that the Soviets would stall indefinitely on the agenda for such a meeting. We do need something dramatic to rally the peoples of the world around some idea, some hope, of a better future. A four-power conference would not do it, but the President might say that he would be ready and willing to meet with anyone anywhere from the Soviet Union provided the basis for the meeting was honest and practical.

Secretary Dulles expressed great interest in this idea of the President's, and said that it seemed to him to be supported by the enormous difficulty experienced by the Soviet Union in keeping their satellites from participation in the Marshall Plan.

Certainly, the President replied, the economic incentive would have terrific attraction in Russia if it could be got over to the ordinary people.

Mr. Jackson interrupted to say that there seemed to him another side to the position that Secretary Dulles had taken. It certainly seemed conceivable to Mr. Jackson that one of the main reasons for the cool attitude of many Europeans to our goal for unity in Europe stemmed from real doubts about the long-range commitment of the United States to support European unity and defense. If the full weight and majesty of American statesmanship and diplomacy could be rallied behind the objective of getting the EDC treaties signed, Mr. Jackson was convinced there would be no further worries about the overthrow of the present regimes in Western Europe. Indeed, nothing would be more effective in building them up. This, said Mr. Jackson, seemed to him to be the great opportunity presented to a great Secretary of State.

The President replied with a question as to whether Mr. Jackson assumed that such pressure has not already been brought to bear by our diplomats. It most certainly had been, in the President's own experience. The real difficulty and the real explanation of the instability of these Western European governments came from the fact that they were afraid of their own peoples. Thus European unity had become a political issue. The governments were all in favor of it, but they were afraid of their peoples.

To this statement Secretary Dulles added again his view that if an attempt were made to create German unity by some other vehicle than the EDC, then certainly the EDC would be finished.

The President again said that emphasis in the current psychological plan, and notably in his speech, must be on the simple theme of a higher living standard for all the world, and he suggested that Mr. Jackson and his colleagues take a look at this and all the other ideas which had been advanced, and come up with a new plan for the steps that we should take. The focus, the President said, should be on the common man's yearning for food, shelter, and a decent standard of living. This was a universal desire and we should respond to it.

Mr. Stassen stated that plainly the country's greatest asset at this juncture was the leadership of President Eisenhower, and that every effort should be made to project the President's leadership and personality throughout the rest of the world. In addition to emphasizing the standard of living as the goal sought by the Presi-

dent, Mr. Jackson's plan should also stress the moral values represented in the President.

The President seemed somewhat skeptical of this latter point, saying that we had stressed our moral values consistently in the past. He preferred, therefore, that the emphasis he placed on raising material standards for the common people throughout the world. This, he thought, might even result in a settlement in Korea.

Mr. Stassen then inquired what might be the effect if the President in his speech were to propose an immediate and complete cease-fire in Korea.

The President commented that the Russians had already made such a proposal.

Secretary Dulles pointed out the implication represented by the prisoner-of-war problem, and General Collins added to this by warning that if we called for a cease-fire we would have to stop the bombing of Communist communications and military targets. The Communists would thus be able to pile up supplies, and we should quickly find ourselves very vulnerable to attack.

Secretary Wilson expressed complete agreement with General Collins.

Thereafter the Council discussed for some time the question of how and when, and in what forum, the President should make his address. No firm conclusions were reached on any of these points, although the President stated his own belief that the question of when and how his speech was to be delivered was almost as important as its content.

The National Security Council: [11]

a. Noted an intelligence estimate on the subject presented orally by the Director of Central Intelligence, based on a special estimate (SE–39) circulated at the meeting.

b. Noted and discussed "A Proposed Plan for a Psychological Warfare Offensive", presented orally by the Special Assistant to the President for Cold War Operations, based on a written report prepared with the assistance of the Psychological Strategy Board and its staff.

c. Noted the views of the Secretary of State on the policy implications of Stalin's death, and the Secretary's reactions to the proposed psychological plan.

d. Agreed:

(1) That Stalin's death presents an opportunity for the assertion of world leadership by President Eisenhower in the interests of security, peace, and a higher standard of living for all peoples.

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[11] Paragraphs a–d and the Note constitute NSC Action No. 734.

(2) That the Special Assistant to the President for Cold War Operations should immediately draft an address by the President in the light of the discussion at the meeting, for early delivery at a time and place to be determined.

(3) That there should be a coordinated and sustained emphasis and follow-up on this address by all appropriate departments and agencies, both at home and abroad.

Note: The action in d-(2) above subsequently referred to the Special Assistant to the President for Cold War Operations for implementation. The action in d-(3) above subsequently referred to the Psychological Strategy Board for implementation.

[Here follows discussion of agenda items 3-5, concerning developments in Iran, United States objectives with respect to Latin America, and the NSC status of projects.]

S. EVERETT GLEASON

No. 567

INR-NIE files

Special Estimate[1]

SECRET
SE-39

WASHINGTON, March 12, 1953.

PROBABLE CONSEQUENCES OF THE DEATH OF STALIN AND OF THE ELEVATION OF MALENKOV TO LEADERSHIP IN THE USSR

FOREWORD

This is a provisional estimate. The subjects herein treated will be taken into account in NIE-65, "Soviet Bloc Capabilities through 1957,"[2] and treated more fully in NIE-90, "Soviet Bloc Capabilities through Mid-1955."[3]

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[1]Regarding Special Estimates, see footnote 1, Document 554. According to a note on the cover sheet of this estimate, the intelligence organizations of the Departments of State, the Army, the Navy, and the Air Force and the Joint Staff participated in the preparation of this estimate. The note indicates further that all members of the IAC concurred in this estimate on Mar. 10, but attention was drawn to the footnotes of the Deputy Director for Intelligence, the Joint Staff.

An advanced text of SE-39 was summarized by Allen Dulles at the 136th meeting of the National Security Council on Mar. 11; see the memorandum of discussion, *supra*.

[2]Document 599.

[3]Dated Aug. 18. (INR-NIE files)

ESTIMATE

The Initial Transfer of Authority

1. The problem of transfer of power is one of the most difficult which the Soviet system could face. The important initial step, the formal transfer of authority, with Malenkov as titular leader, has apparently been effected with remarkable rapidity and precision. The smoothness of the transfer of authority and the speed with which the Government and Party posts were filled, suggest an acute awareness on the part of the Soviet leaders of the dangers inherent in the situation,[4] and that the necessary plans to bring about the change were prepared, at least in outline, well in advance of Stalin's death.

2. Malenkov's key position in the Soviet Communist Party throughout the past fourteen years, his conspicuous and apparently planned elevation since 1948, his prominent role at and since the 19th Party Congress, and the accolade accorded him by Beria at Stalin's funeral suggest that there will be no immediate challenge to his position. However, we cannot estimate whether he has the qualities of leadership necessary to consolidate his position and to attain unchallenged power, since he has always operated with the backing of Stalin. Neither is it possible to estimate with confidence the capabilities or probable courses of action of his possible opponents.

3. A struggle for power could develop within the Soviet hierarchy at any time. Given the nature of the Soviet state, such a struggle would probably be carried on within the Party organization and higher echelons of the bureaucracy. In any case, the peoples of the USSR are unlikely to participate actively in the struggle. Even if a struggle should break out in the near future, we believe that the hold of the Communist Party over the USSR is not likely to be shaken quickly. We do not believe that such a struggle would in

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[4]In the new organization, Malenkov apparently now holds the same titular position within the Presidium and the Secretariat of the Party and in the Council of Ministers which Stalin held. In the Council of Ministers, power has been concentrated in the hands of Malenkov as Chairman and four First Deputy Chairmen: Beria, Molotov, Bulganin, and Kaganovich. These five make up the Presidium of the Council of Ministers. It may be significant that this body closely parallels in nature and membership the wartime Committee of State Defense under Stalin. The concentration of power has been increased, and the top party and government organs have been reduced in number and size. The new organization of Party and Government and the extensive reorganization and merger of several major industries under Malenkov appear to tighten and streamline the administrative system. [Footnote in the source text.]

itself lead the rulers of the USSR deliberately to initiate general war.[5]

Probable Consequences of Death of Stalin

Effects upon the Bases of Soviet Power

4. The economic and military bases of Soviet power are unlikely to be immediately affected by Stalin's death. However, the new leadership may prove less successful in maintaining and strengthening these bases of Soviet power.

5. The effect of Western diplomatic or psychological moves on Soviet stability and strength cannot be estimated without knowledge of the contemplated moves. However, we believe that the USSR is politically more vulnerable today than before Stalin's death. The new leadership will have difficult policy decisions to face, and these difficulties may be increased by personal rivalries for power which would reduce Soviet strength and the cohesion of the international Communist movement.

Effects upon Soviet Policies

6. In the near future, the new Soviet leadership will almost certainly pursue the foreign and domestic policies established during recent years. In particular, it will probably continue to emphasize unremitting hostility to the West (including the tactic of splitting the West), the enlargement of the Bloc economic base, and the increase of Bloc military power.

7. The death of Stalin removes an autocrat who, while ruthless and determined to spread Soviet power, did not allow his ambitions to lead him into reckless courses of action in his foreign policy. It would be unsafe to assume that the new Soviet regime will have Stalin's skill in avoiding general war. At least initially, the regime will also lack his freedom of action and his ability to manoeuvre, since it will not possess Stalin's immense prestige and authority. Specifically, in foreign policy, the new regime will probably find it more difficult to abandon positions than did Stalin and might feel itself compelled to react more strongly if moves of the West confronted it with the need for major decisions. Conversely, the new leadership will probably exercise caution in the near future in

[5]The Deputy Director for Intelligence, The Joint Staff, believes that paragraph 3 should read: "A struggle for power could develop within the Soviet hierarchy at any time. Given the nature of the Soviet state, such a struggle would probably be carried on within the Party organization. However, any serious disagreement could well have much more widespread effects, involving the Army or large sections of the population. If such a struggle should break out in the near future, we believe that the hold of the Communist Party over the USSR is not likely to be shaken quickly. So long as the struggle is confined within the Kremlin, we do not believe that it would lead the rulers of the USSR deliberately to initiate general war." [Footnote in the source text.]

taking action which it thought would force the West to make comparable decisions. If the West should suggest re-examination of the principal issues which have divided East and West, the new Soviet government would probably adhere to established Soviet positions. However, the new government would probably show a less sure hand in dealing with new issues or in handling new Western proposals.[6]

8. The new Soviet regime probably fears that, while it is in the process of consolidating its power, the West may make aggressive moves against the Bloc. It would probably view with extreme suspicion any new moves made by the West, particularly those involving long-range air forces or military forces close to the Bloc frontiers.

Effects upon the Peoples of the USSR

9. The death of Stalin removes the man who had been built up to the status of a demi-god. To many of the people of the USSR, he was the man of steel who had raised Russia to industrial and military power, who had withstood the German attack, and who had led the peoples of the USSR to the greatest military victory in Russian history. Stalin's death will be a psychological shock to large numbers of Soviet people. However, we estimate that this shock in itself will not affect the stability of the new regime.

Effects upon the Bloc and the International Communist Movement

10. For some time, no successor to Stalin will be able to achieve comparable status or similar significance as a symbol of the international Communist movement and as the undisputed leader of world Communism. This may have some effect upon the rank and file, at least temporarily, but the cohesion of the hard core of the Communist movement outside the Bloc is not likely to be impaired. If there should be a struggle for power within the Soviet Communist Party, the cohesion of the Communist movement outside the Bloc would almost certainly be weakened.

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[6]The Deputy Director for Intelligence, The Joint Staff, believes that paragraph 7 should read: "The death of Stalin removes an autocrat who, while ruthless and determined to spread Soviet power, chose courses of action which although causing the Western world to rearm, did not result in general war during his lifetime. It would be unsafe to assume that the new Soviet leadership will either desire or be able to choose courses of action that will avoid precipitation of general war. At least initially, the Soviet regime may lack freedom of action and the ability to manoeuvre since it does not possess Stalin's immense prestige and authority. On the other hand particularly in relation to foreign policy, the new regime may find it more difficult to abandon positions than did Stalin and might feel itself compelled to react more strongly to moves of the West. If the West should suggest re-examination of the principal issues which have divided East and West, the new Soviet government would probably outwardly adhere to established Soviet positions." [Footnote in the source text.]

11. Kremlin control over the European Satellites is so firm that we do not believe it will be impaired merely by the death of Stalin. However, in the unlikely event that a struggle in the Soviet Communist Party should spread to the Soviet Army and the Soviet Security Forces, Soviet control over the Satellites would almost certainly be shaken.

12. Relations between Tito and Moscow are unlikely to change as a result of the death of Stalin. The antagonism was not personal, but arose from a genuine clash of Yugoslav national interests with the Soviet Communist Party. Moreover, both sides have taken actions and adopted positions which would be extremely difficult to reverse. The Kremlin could not recognize Tito as an independent Communist ally without undermining it position with the European Satellites.

13. We do not believe that Tito's influence within the Satellites or within Communist Parties outside the Bloc will increase, unless there should be a prolonged struggle for power in the USSR.

14. We believe that Stalin's death will have no immediate effect upon Sino-Soviet cooperation or upon Chinese Communist foreign policies. However, no successor to Stalin will have prestige and authority in Asia comparable to his. The stature of Mao as leader and theoretician of Asian Communism will inevitably increase with the disappearance of the former supreme leader. Mao will almost certainly have more influence in the determination of Bloc policy affecting Asia. He almost certainly will not seek leadership of the international Communist movement. The new Moscow leadership will probably deal cautiously with Mao; if it does not, serious strains in Sino-Soviet relations will almost certainly develop.

Probable Western Reaction to Death of Stalin and Elevation of Malenkov

15. We believe that in general the Western European leaders will be disposed for the time being to conduct the East-West struggle with greater hesitancy and caution. They will probably fear that any immediate Western pressure on the Bloc would increase the danger of war and facilitate the stabilization of authority in the USSR. They will also probably hope that, if Western pressure is not exerted, the problems involved in the consolidation of the authority of the new regime of the USSR will bring about at least a temporary relaxation of tensions and enable them to postpone disagreeable policy decisions.

No. 568

Eisenhower Library, Dulles papers, Memoranda of Telephone Conversation

Memorandum of Telephone Conversation With the President, by the Secretary of State

SECRET
PERSONAL AND PRIVATE

WASHINGTON, March 16, 1953.

1. *Speech on Peace.* I told the President we had worked hard over the week end and now had a draft, which was being rewritten, and which I thought deserved his study.[1] I told him that I thought it was even more essential that he make such a speech, in view of Malenkov's speech of yesterday.[2] The President seemed disposed to move ahead, and said it was too bad that he had not made his speech before Malenkov.

2. *U.K. Bomber.* I mentioned that the U.K. bomber, shot down near the border, according to our information had been trespassing rather deeply into Soviet territory as a result of operating on dead reckoning under overcast conditions.[3]

[Here follows a brief discussion of the Egyptian situation.]

4. *Bohlen.* I spoke of the Bohlen situation[4] and the President indicated that he had not the slightest intention of withdrawing Bohlen's name.[5] He asked me to speak to Sen. Taft.[6] I told him of cer-

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[1]The Mar. 20 draft is not printed. (PPS files, lot 65 D 563, "President's Speech") For text of the address, see Document 583.

[2]In a brief statement on foreign affairs to the Supreme Soviet of the USSR on Mar. 15, Chairman Malenkov spoke of the readiness of the Soviet Union to settle peacefully all unresolved or disputed questions with other nations, including the United States, by mutual agreement. For the translated text of Malenkov's address, see *Documents* (R.I.I.A.) for 1953, pp. 11–13.

[3]On Mar. 12, a British RAF bomber on a training flight in Germany was shot down by Soviet fighters for allegedly penetrating over East Germany.

[4]Regarding the nomination of Charles E. Bohlen to be Ambassador to the Soviet Union, see Document 546.

[5]Secretary Dulles telephoned Bohlen on Mar. 16. Bohlen was at home with the measles. According to Dulles the conversation proceeded as follows:

"The Secretary told him that he had talked with the President and that there was no weakening of the President's determination to stand by his nomination. The Secretary said that he called him because he wanted to be very sure that Bohlen would not do anything to embarrass the President. Mr. Bohlen mentioned his previous testimony and said that there wasn't any criticism of the Administration in, etc.

"The Secretary said that he wanted to be sure that no matter what happened, in the middle of the fight, or regardless of the testimony, that Bohlen would not just say he would quit, because that would leave the President in an embarrassing position.

"Mr. Bohlen said he had no intention of it, none whatever." (Eisenhower Library, Dulles papers)

[6]According to his memorandum of a telephone conversation with Senator Robert A. Taft of Ohio on Mar. 16, Secretary Dulles explained that President Eisenhower was determined to stand behind the Bohlen nomination:

Continued

tain rumors afloat which he asked me to check with Doug MacArthur. I subsequently did and reported back to the President, who said that fitted in with his own judgment.

I told the President that if security investigations ever indicated any risk we would deal with the matter from the Executive Department in our own way. I reminded the President that the Senate had unanimously confirmed him to be Counselor in 1947 and in 1951, a high policy-making position, whereas the position to which he is being nominated now is essentially an observation post—not a policy-making position.

JOHN FOSTER DULLES

"Senator Taft said he didn't think there was anything to worry about, some of them would make speeches but there wasn't much doubt of the outcome. Bridges [Senator Styles Bridges of New Hampshire] felt that it would help him in New Hampshire to be against Bohlen." (Eisenhower Library, Dulles papers)

Dulles also had telephone conversations on the Bohlen nomination on Mar. 16 with Senator Alexander Wiley of Wisconsin; with Sherman Adams, Assistant to the President; and with Maj. Gen. Wilton B. Persons, Deputy Assistant to the President. (Eisenhower Library, Dulles papers)

No. 569

Microfilm telegram files, "Moscow FY 53": Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

SECRET PRIORITY Moscow, March 18, 1953—2 p. m.

1330. Following further impressions emerge from close scrutiny actions and words new Soviet Government.

Present leaders have a style of their own. Freed from Stalin's oppressive presence they speak in their own right and it is noticeable Malenkov's latest speeches different from manner he adopted at 19th Congress.[2] Emphasis so far placed on colleagual unity although is apparent Malenkov and Beria are sources real power. Police control probably dominant with support being sought from nominal association army and old time party guard. Ministerial re-

[1]Repeated for information to London, Paris, Rome, and Belgrade.

[2]The comparison appears to be among Malenkov's address of Oct. 5, 1952, his oration at the funeral of Stalin on Mar. 9, 1953 (see footnote 3, Document 559), and his address of Mar. 15, 1953, to the Supreme Soviet of the U.S.S.R. presenting the new composition of the Council of Ministers. During the last address, Malenkov spoke briefly on foreign policy matters and included the following statement:

"At present there is no disputed or unsolved question which could not be settled by peaceful means on the basis of mutual agreement of the countries concerned. This concerns our relations with all states, including the United States of America."

For full text of Malenkov's Mar. 15 address, see *Documents* (R.I.I.A.) for 1953, p. 11.

organizations probably used displace non-Malenkov-Beria men and demotions may have aroused some bitterness. Key to stability doubtless lies in ability Malenkov and Beria to work together and although question is academic as long as cooperation continues, interesting to speculate who is really more powerful.

During initial transition period regime has been clever in appeals to internal and external public. Populace may have been fearful that Stalin who at least kept country out of war with West might be replaced by adventurous successors. Although credit given to Stalin to that extent, purges, vigilance measures and anti-US campaign seem to have created real feeling nervousness just prior to Stalin's death. On taking power Malenkov obviously endeavored quickly reassure populace by general statements peaceful intentions. From what we can guess, Russian people relatively immune to anti-US indoctrination and on contrary genuinely afraid of prospect war with US which they knew Russia could not "get at" and defeat. Paradoxically, one most popular measures regime could adopt would probably be cessation anti-US campaign. On the other hand regime may be faced by dilemma of being forced continue spector external threat to evoke solidarity and also by inability to make external concessions for fear being considered weak. Close watch must be kept over propaganda line which is temporarily more restrained.

Regimes three biggest problems are maintenance living standards and relations with US and China, assuming satellites can be held together by police measures. Malenkov has given general assurances on all three accounts. Difficult to say which will have precedence but seems likely Malenkov is endeavoring maintain line with China before dealing with US. When examined closely his professions of friendly intentions do not go beyond if indeed as far as recent Peace Congress protestations. Improvement living conditions which would be useful to regime during transitional period and would assist in maintenance of order depends in large part on relaxation tension with US. While regime may be impelled toward this objective, difficult however to foresee any over-all settlement with West which would not basically undermine Soviet foreign policy position. Question is whether government will even try piecemeal concessions to obtain advantage relaxation Western defense measures and semblance peaceful coexistence. Until now, we see no concrete evidence government has departed from Stalinist world plans, although with the event of new men and possibly different conditions in relationship with China more flexible methods may be attempted.

BEAM

No. 570

State–PSB files, lot 62 D 333, "PSB Documents"

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Under Secretary of State (Smith)[1]

TOP SECRET [WASHINGTON,] March 18, 1953.

Subject: Agenda Item No. 1, PSB Meeting March 19, Draft Outline Plan for Psychological Exploitation of Stalin's Death, draft of March 13, 1953.

Background

This is a revision of the paper of the same title discussed at a meeting of the National Security Council on March 11[2] and referred to the Special Assistant to the President for Cold War Operations for revision in the light of comments made at the time.

Discussion

The present version of March 13 follows in large part the earlier version on which the Department commented in your memorandum to Mr. George A. Morgan, Acting Director of the PSB, on March 10.[3] The new version does, however, contain several alternative readings and suggested revisions concerning which detailed comment at the meeting of the Board probably would not be profitable.

Recommendations

1. That with regard to Part I, which establishes the framework of the plan you express the view that, the need for taking prompt and effective psychological action is acknowledged, although the real limitations imposed upon our psychological capabilities at the time are not sufficiently taken into account. Further, you might express the view that the Department believes that the paper fails to indicate with sufficient clarity and emphasis the longer-range aspects of the situation created by the death of Stalin and the succession of Malenkov. Some time may elapse before the divisive forces inherent in the power situation in the USSR mature into a severe strain on the new regime. The initial and immediate actions called for should therefore be so taken as not to compromise successful action that may be required in the future. This view is supported by the conclusions reached in Special Estimate No. 39 of March 12 entitled "Probable Consequences of the Death of Stalin and of the Ele-

[1]Phillips (P) and Nitze (S/P) concurred in this memorandum.
[2]See Document 566. The draft plan referred to is not printed.
[3]Document 562.

vation of Malenkov to Leadership in the USSR." You might add that the Department prefers version A rather than version B of the aims set forth in the section on "Strategic Concept" on page 6 of Part I. Recommendations for changes in the language of the revised paper of March 13 are being transmitted under separate cover to Mr. Morgan and members of the PSB.

2. With regard to Part II of the paper "Plans for Psychological Operations," you might recommend that discussion of overt and covert psychological operations be completely separate in order to facilitate ready handling and appropriate declassification of sections of the paper. This can readily be accomplished by a slight rearrangement of the order. The specific tasks set forth for the overt media have been refined, sharpened and elaborated on the basis of recommendations made in the document and of the views of the geographic bureaus in the Department. Proposed revisions of Part II referred to above are set forth in the paper being transmitted under separate cover to Mr. Morgan and members of the PSB.

3. As for Part III, "Recommendations for Political, Military and Economic Substantive Actions", you might say that the Department reaffirms the position taken in its memorandum to Mr. Morgan of March 10. The Department recognizes the need for coordinated political, military and economic action in taking advantage of the situation that now exists but the Department continues to believe that Part III should be dropped from the paper and decisions along the lines suggested should be considered at such time as heightened pressure is determined to be desirable.

No. 571

State-PSB files, lot 62 D 333, "PSB Meetings"

Memorandum of an Informal Meeting of the Psychological Strategy Board, Washington, March 19, 1953[1]

TOP SECRET

Place: Office of the Under Secretary of State

Present: Messrs. Jackson, Smith, Kyes, Dulles, Stassen, Phillips, Morgan

Agenda Item 1. The March 13th revision of the draft plan[2] on Stalin's death was further revised as follows:

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[1]Prepared by George A. Morgan, Acting Director.

[2]The Mar. 13 revision of the draft plan is not printed. The 28-page paper was similar to the final version circulated as PSB D–40, Apr. 23. (PSB files, lot 62 D 333, "PSB Documents") The exceptions are indicated.

a. Version B of the Aims (Part I, para. 5b) was chosen.

b. A summary was read and generally agreed to of changes for Parts I and II proposed by the State Department. The full written text of these changes is to be supplied to me for incorporation in the next draft.

c. The old Part III is to be deleted and a general paragraph substituted indicating that political, military and economic actions also are to be conducted consistently with the plan and related to it. The suggestions in the old Part III are to be filed for reference, however.

I was instructed to incorporate all changes in a new draft of the plan and circulate it to the Board for vote-slip action.

Agenda Item 2. The draft "Staff Support for PSB Implementation of NSC Action 734d(3)" (attached to my memorandum of March 17[3]) was approved with the following changes:

a. Paragraph C2 to read: "It will do this by serving as a continuous channel by which action on the psychological exploitation of the situation is coordinated and expedited."

b. Paragraph C3a. to read: "WGS will supervise preparation and coordination of supporting psychological plans and projects for operations implementing the strategic concept set forth in Part I."

[Here follows discussion of agenda items 3 and 4 regarding East Germany and the frequency of Psychological Strategy Board meetings.]

[3]Neither the original draft paper on staff support nor Morgan's memorandum of Mar. 17 is printed; for the approved version of the paper on staff support, circulated as PSB D-40/1, Mar. 19, see *infra*. Regarding NSC Action No. 734-d-(3), see footnote 11, Document 566.

No. 572

State-PSB files, lot 62 D 333, "PSB Documents"

Paper Approved by the Psychological Strategy Board[1]

TOP SECRET [WASHINGTON,] March 19, 1953.
PSB D 40/1

STAFF SUPPORT FOR PSB IMPLEMENTATION OF NSC ACTION 734 d (3)

It is recommended that the Board establish an Interdepartmental Working Group along the following lines:

A. *Title:* Working Group (Stalin). Symbol, WGS.

[1]Approved by the PSB at its informal meeting on Mar. 19; see *supra*.

B. *Composition:* One member each will be designated by the agencies represented on the Psychological Strategy Board: State, Defense, CIA and ODM. (Each should serve as the personal representative of the Board member from his agency and enjoy ready access to his principal for policy guidance and resolution of interdepartmental differences.) The Director of the PSB Staff or one of his senior assistants will act as Mr. Jackson's representative and will serve as chairman of the Group. *Ad hoc* participation, as needed, will be sought from the Treasury, Commerce and Justice Departments, and the Bureau of the Budget. Other agencies may be added from time to time at the discretion of the Chairman of PSB. These agencies will be requested to designate a high-level officer to serve with the WGS as appropriate.

C. *Terms of Reference:*

1. The basic purpose of WGS will be to assist the Board in arranging "a coordinated and sustained emphasis and follow-up on the President's address[2] by all appropriate departments and agencies, both at home and abroad."

2. It will do this by serving as a continuous channel by which action on the psychological exploitation of the situation is coordinated and expedited.

3. In addition to the President's address, WGS will be guided by the outline plan, "Psychological Exploitation of Stalin's Death" (if and when approved in revised form by the Board),[3] but also will constantly review this plan in the light of the developing situation and propose changes when needed.

a. WGS will supervise preparation and coordination of supporting psychological plans and projects for operations implementing the strategic concept set forth in Part I.

b. WGS will recommend political, military and economic actions of psychological importance in support of the overall program.

c. WGS will arrange for adequate intelligence support to permit timely and well-phased execution or revision of plans.

4. While WGS will not have authority to give orders to anyone, it should serve as a useful catalyst in securing action by regular agency channels. Matters of major importance will of course be referred by it to the Board.

D. *Reporting:* The Chairman of WGS will report formally to the Chairman of PSB twice monthly, on the development and implementation of the whole program.

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[2]See Document 583.

[3]The plan was approved and subsequently circulated as PSB D–40, Apr. 23. (PSB files lot 62 D 333, "PSB Documents")

No. 573

761.00/3-2053: Telegram

The Chargé in the Soviet Union (Beam) to the Department of State

CONFIDENTIAL
PRIORITY

Moscow, March 20, 1953—5 p. m.

1342. Embassy has watched Soviet press carefully since first announcement Stalin illness and later announcement death, with view to ascertaining through this medium some indication future policy new regime. During illness and for days after death, papers were devoted entirely, including extra pages, to Stalin himself. More lately considerable space was given to Gottwald. Death of latter may have upset to certain extent intention Soviet Government return Soviet press to normal following confirmation by supreme Soviet of governmental changes effected by new regime.

Leading articles in recent days have been devoted largely to internal aspects Malenkov (Beriya and Molotov) pronouncement (vigilance, management improvement, etc.).

For few days beginning just before Stalin death there seemed to be cautious and slow effort build up name of Malenkov (including special references his public remarks, retouched photos, reference by Beriya as "talented pupil Lenin and comrade-at-arms Stalin"). More recently however emphasis has been almost entirely on devotion of people to a necessity of rallying around Central Committee of Party. While leading articles use material obviously suggested by Malenkov statements, no attribution is given and statements are not printed within quotes or italicized as was custom with Stalin excerpts.

Papers are now reassuming normal format with space available for reprints of foreign (usually Commie) articles and Tass despatches from abroad. These continue to label US particularly as "aggressor" and main enemy and are headlined accordingly. Locally written pieces however, including leading articles, have shown very noticeable restraint. Subjects which previously evoked hysterical diatribes now are dealt with as dangers in such general terms as imperialism, imperialist encirclement, capitalism, etc., with only occasional specific mention of US or UK.

While "hate America campaign" has definitely been displaced for time being, it may be too early to say it is dead and further significant indications will be watched as press continues to return to normal.

BEAM

No. 574

PPS files, lot 64 D 563, "USSR 1953"

Memorandum by Carlton Savage of the Policy Planning Staff to the Director of the Staff (Nitze)

SECRET [WASHINGTON,] April 1, 1953.

Since the death of Stalin on March 5, 1953 there have been more Soviet gestures toward the West than at any other similar period. These cover a large part of the field of tension and controversy between the East and the West. The following is a check list of Soviet gestures:

1. Agreement to exchange sick and wounded prisoners of war.
2. Proposal for the resumption of armistice talks in Korea on what appears to be a reasonable basis.
3. Proposal for British-Soviet talks in Berlin to reduce air incidents in Germany.
4. Statement by General Chuikov that a conference "called to prepare a peace treaty with Germany and the reunification of the country corresponds fully and wholly to the Soviet Union's attitude."
5. Soviet admission in propaganda that the United States and Britain had a hand in the defeat of Germany in 1945.
6. Soviet permission for a group of American correspondents to enter Russia.
7. Soviet approach to a Norwegian representative at the UN, discussing a possible meeting between President Eisenhower and Malenkov to consider subjects of tension including atomic energy control and disarmament.

In view of the possibility that these Soviet moves might lead to general negotiations between the U.S. and the Soviet Union, this would seem to be an appropriate time to determine the position that U.S. should take in such negotiations.

CARLTON SAVAGE

No. 575

601.6111/3-3053

Memorandum of Conversation, by the Officer in Charge of USSR Affairs (Stoessel)

SECRET [WASHINGTON,] April 1, 1953.

Subject: Conversation at the Soviet Embassy

Participants: Ambassador Zaroubin
Ambassador Bohlen
Mr. Stoessel—EE

In accordance with previous appointment, arranged at the insistent suggestion of Ambassador Zaroubin, Ambassador Bohlen and Mr. Stoessel arrived at the Soviet Embassy at 10 a.m. and were escorted to the large Embassy reception room. Ambassador Zaroubin entered after a few minutes and greeted Ambassador Bohlen warmly. The ensuing conversation, which lasted approximately 20 minutes, was entirely in Russian.

The talk consisted largely of amenities. Ambassador Bohlen recalled the numerous occasions on which he had met Ambassador Zaroubin previously. There was some mention of the new Embassy building in Moscow, living conditions at Spaso House, and Ambassador Bohlen's travel arrangements. Ambassador Zaroubin remarked that he considered it the duty of an ambassador to work for the betterment of relations between his own country and the country of assignment. Ambassador Bohlen agreed that this was a correct description of an ambassador's function.

Ambassador Zaroubin noted Mr. Molotov's statement[1] that the USSR fully supported the Chinese proposals for a resolution of the Korean War. He felt that the Chinese proposals would result in ending the conflict, which he believed was "necessary for future perspectives". Ambassador Bohlen said the proposals were being studied carefully in the Department, but would require clarification. It was obvious, he agreed, that the fighting in Korea had to end before there could be serious hope of even examining other outstanding problems.

No further matters of substance were discussed during the conversation, which ended with Ambassador Zaroubin's expression of good wishes to Ambassador Bohlen in his new mission.

[1]Foreign Minister Molotov's statement made on Apr. 1.

No. 576

Editorial Note

Ambassador-designate Charles E. Bohlen, accompanied by Secretary Dulles, called on President Eisenhower on the afternoon of April 2. Secretary Dulles presumably came at his own request. According to the account in Bohlen, *Witness to History*, pages 335–336, Bohlen and the President had a general discussion of the Soviet Union, and Bohlen also took the opportunity to inform the President of the low morale in the Foreign Service and fear of investigations of subversion.

In reply to a question at his regular press conference on April 2, President Eisenhower stressed that Bohlen's call was in conformity with usual practice and would only mention that the topic of the conversation was the situation in the Soviet Union of the American Ambassador. (*Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, page 159) No official record of the meeting has been found and there appears to have been no effort on this occasion, or any other, to provide Ambassador Bohlen with any formal instructions for his new post. In a conversation in November 1953, Bohlen allegedly told *New York Times* foreign correspondent Cyrus L. Sulzberger that the only instructions Bohlen had from President Eisenhower were: "Watch your stomach and don't let them get you." (Cyrus L. Sulzberger, *A Long Row of Candles: Memoirs and Diaries (1934–1954)* (New York: The Macmillan Company, 1969), page 917)

No. 577

761.00/4-453: Telegram

The Chargé in the Soviet Union (Beam) to the Department of State[1]

CONFIDENTIAL
PRIORITY

Moscow, April 4, 1953—10 p. m.

1418. Soviet press and radio April 4 announce communiqué[2] of Ministry Internal Affairs which states that those arrested in so-called plot of doctor-murderers were incorrectly accused "without any legal basis whatever". Accused have been released and completely vindicated. Police officials of investigation section former MGB stated to have obtained confessions "by means application impermissible methods of investigation most strongly forbidden by Soviet laws" and to have been arrested.

Second brief announcement from Supreme Soviet Presidium states decree of January 20 awarding order of Lenin to Lidiya Timashuk[3] has been repealed as incorrect.

Notable aspect announcement is increase number accused doctors from 9 to 15. Those not included original nine (and who significantly do not bear Jewish names) are: Vasiklenko,[4] member De-

[1]Repeated for information to Paris, London, Bonn and Rome.

[2]The text of the communiqué summarized here is printed in *Current Digest of the Soviet Press*, vol. V, No. 10, Apr. 18, 1953, p. 3.

[3]Dr. Lidiya F. Timashuk, a medical worker in the Kremlin and an alleged collaborator with the Soviet security police whose letter to Generalissimo Stalin in 1952 began the investigations and arrests known as the "doctors' plot" (see footnote 2, Document 539).

[4]Dr. Vladimir Kharitonovich Vasilenko.

partment clinical medicine Academy Medical Sciences who signed medical certificates for deaths Zhdanov and Dimitrov;[5] and Zelenin,[6] 72 year old specialist Academy's department clinical medicine; Preobrazhenski,[7] 61 year old ear, nose, throat specialist; Zakusov,[8] drug expert and member Soviet delegation UN Economic and Social Council 49 on question narcotics; Shereshevski,[9] specialist Ministry Health; and Popova, about whom Embassy has no information. All but last two are members Academy Medical Sciences. Listing of doctors released at end announcement however, does not include M. B. Kogan and Ya G. Etinger of original nine. This possibly confirms Embassy's information that Kogan died '51 although he has always been listed with those arrested. Etinger may also have already been dead or possibly was victim illegal method reportedly used by investigatory organ.

Dropping of case also raises question future status Yegorov,[10] former chief Kremlin medical administration and E. I. Smirnov, former Minister of Health. Yegorov had been replaced by I. I. Kusperin and Smirnov although not publicly involved in case was replaced by A. F. Tretyakov, the latter being confirmed at March 15 session Supreme Soviet. Release accused doctors may also affect positions doctors who replaced them as Kremlin specialists.

This startling event, perhaps more than any other, provides most concrete evidence thus far of present regime's break with Stalinism since it must be accepted that Stalin himself either engineered the doctors plot, or gave his approval to one initiating bloc. It would be natural to assume that a bitter controversy has taken place but it is too early to say whether we are witnessing this at white heat or are viewing it in the past through reflected light. Even in the latter event it is difficult to believe that animosities are completely calmed because certainly some elements will suffer, possibly in a different kind of purge of those now judged guilty. Since Stalin died the regime seems to have assumed the form of a balance between great bureaucracies, among which the most powerful are the party, the police and the army. Beria's mention of Malenkov in his funeral oration and also his nomination of Malenkov to be Prime Minister give the appearance that the first two are harmoniously dominant. What may be the fate of remaining purely Stalinist elements and what relationship the army bears to the balance, par-

[5]Georgi Dimitrov, Bulgarian Communist Party leader until his death in 1949.
[6]Dr. Vladimir Filippovich Zelenin.
[7]Dr. B. S. Preobrazhenskiy.
[8]Dr. V. V. Zakusov.
[9]Dr. N. A. Shereshevskiy.
[10]Dr. Boris Grigoryevich Yegorov.

ticularly as one of the principal victims of the doctors "plot", may be matters of high consequence.[11]

As yet the government has not had time to repair the previous "logic" of the anti-Zionist campaign, the charges against the joint distribution committee, the breaking of relations with Israel, vigilance against alleged American and British spies which are now deprived of any basis. Within the limited circles observed, the public reaction has been good, evidently in the belief that a more liberal era may ensue. On the other hand, doubts may arise concerning the stability of the power constellation and in general concerning a system of government in which such fantastic reversals can take place, including the acknowledgment that "impermissible methods" (presumably torture) have been used.

A compounding of the bizarre is provided in the March issue of the magazine *Young Communist* just distributed today, which carries a biting attack against bourgeois espionage, especially American, and calls for vigilance against foreign penetration in the same violent language which was used subsequent to original announcement of doctors' plot. Article cites Timashuk as outstanding example of revolutionary vigilance. Special mention is made of old "spy"

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[11]In telegram 1424, Apr. 6, Beam reported on the *Pravda* editorial criticizing former Minister of State Security Semyen Denisovich Ignatyev for "blindness and gullibility" in the "Doctors' Plot" and former Deputy Minister of State Security and Head of the Section for Investigating Specially Important Cases of the Ministry of State Security, M. D. Ryumin, for "criminal adventurism". On Apr. 7, it was announced that Ignatyev, who had been named a member of Secretariat of the Central Committee of the CPSU on Mar. 15, had been removed from his position. Ignatyev was named First Secretary of Bashkir Oblast Party Committee in early 1954. Ryumin was arrested and tried in July 1954 for "careerism", "adventurism", and "unjustified arrests" during his service in the Ministry of State and was sentenced to death.

Beam concluded telegram 1424 with the following paragraph:

"In Embassy eyes most important above revelations is not punishment Ryumin, because there had to be scapegoat, but rather *Pravda*'s criticism of Ignatyev. Whether or not latter has already been arrested, a *Pravda* attack of this nature against a Central Communist secretary is unprecedented since earlier days Soviet regime and although Party secretariat may have declined in importance it indicates 'counter purge' involved in disposition doctors' case may be reaching fairly high. Since Ignatyev was appointed to secretariat in March 7 joint decree following Stalin's death, it now seems that interfactional problems were not resolved at that time nor may be after the mysterious meeting of the whole Central Committee on March 14 leading to Malenkov's resignation from the secretariat. Although evidence meager, experience Ignatyev a Party worker for secretariat in post-war years might identify him as Malenkov protégé but personality alignments still too unclear to be assessed. Interesting point is that currently dominant party is giving appearance playing its hand swiftly and straight. Whatever results follow, regime apparently endeavoring foster impression that purge process is ended (excepting of course the purging of the purgers) and that Malenkov's promise of protection individual rights in Stalin funeral oration is being carried out, together with pledges of peace and greater prosperity." (761.00/4-653)

figures, including General Smith, Magidov, Anna Louise Strong, British General Hilton and French diplomat Charpentier.[12]

BEAM

[12]References are presumably to: Walter Bedell Smith, Ambassador to the USSR, 1946–1949; Robert Magidov, National Broadcasting Company broadcaster in Moscow in the late 1940s; Anna Louise Strong, long-time editor of the English-language *Moscow Daily News*; Brig. Richard Hilton, British Military Attaché in Moscow until 1947; Pierre Charpentier, Counselor of the French Embassy in Moscow, 1944–1948.

No. 578

Editorial Note

In a message to President Eisenhower on April 6, Prime Minister Churchill indicated that he and Foreign Secretary Anthony Eden detected an "apparent change for the better" in the Soviet mood. Churchill felt that no chance ought to be lost in assessing the depth of change in the attitude of the Soviet leadership. He explained that British Ambassador Sir Alvary Gascoigne was returning to Moscow with instructions to take up a number of minor points troubling British-Soviet relations. (Presidential Correspondence, lot 66 D 204, "Churchill–Eisenhower")

In his reply of the same date, President Eisenhower expressed the view that British and United States thinking on the subject was largely parallel. He indicated further that he was considering the delivery of a formal speech which would set forth the peaceful intentions of the United States. (711.11 EI/4–853)

In a message to President Eisenhower dated April 11, Prime Minister Churchill expressed appreciation for the advance copy of the President's proposed April 16 address (transmitted in telegram 6665, April 8; 711.11 EI/4–853). While expressing general support for the address, Churchill expressed the hope that the delivery of the address might be postponed until the full purpose and extent of the change of attitude in the Soviet leadership was better assessed. (Eisenhower Library, Eisenhower papers, Whitman file)

In his reply of the same date, President Eisenhower expressed understanding of the necessity to avoid appearing to threaten Soviet leadership, and he promised to revise certain portions of the proposed address in order not to appear belligerent. The President pointed out, nevertheless, that it was no longer possible for him to withdraw making an address of the sort he had communicated to the Prime Minister. (611.00/4–1153)

In another message of April 11, Prime Minister Churchill thanked the President for this reply and offered some specific sug-

gestions for amending the proposed address. (Eisenhower Library, Eisenhower papers, Whitman file)

This exchange of messages is printed in volume VI, Part 1, pages 964 ff.

No. 579

Microfilm telegram files, "Moscow FY 53": Telegram

The Secretary of State to the Embassy in the Soviet Union[1]

RESTRICTED WASHINGTON, April 7, 1953.

754. For Bohlen.[2] In presenting credentials[3] you should use following text of remarks:

"Your Excellency: I have the honor to present the letters accrediting me as Ambassador of the United States of America to the Government of the Union of Soviet Socialist Republics and to hand you the letters of recall of my predecessor.

In its foreign policy the Government of the United States is consistently guided by a desire to contribute to the cause of peace in the world, to enhance respect for international obligations and to develop friendly relations between all nations. In conformity with these principles it is the sincere hope of my Government that all questions requiring adjustment between our two Governments may be settled amicably. I shall actively work for the achievement of these aims and I hope that my efforts will meet with the collaboration of the officials of the Soviet Government.

As Ambassador of the United States I shall endeavor faithfully to represent the hopes and aspirations of the American people, who entertain feelings of sincere friendship for the peoples of the Union of Soviet Socialist Republics."[4]

DULLES

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[1]Drafted by Stoessel (EUR/EE) and approved for transmission by Barbour (EUR).

[2]Bohlen left Washington on Apr. 4 and arrived in Moscow on Apr. 11 when he assumed charge of the Embassy.

[3]Bohlen presented his credentials to Voroshilov on Apr. 20; see Document 584.

[4]In telegram 1500 from Moscow, Apr. 20, Bohlen indicated his intention to make available to American correspondents in Moscow this text of his remarks. (Microfilm telegram files, "Moscow FY 53")

No. 580

661.00/4-1153: Telegram

The Ambassador in France (Dillon) to the Department of State[1]

SECRET PARIS, April 11, 1953—1 p. m.

5433. While stating that French Government has not yet formulated definite position toward Soviet peace offensive, Margerie indicated that following represented consensus of Foreign Office views endorsed by Bidault:

1. Internal measures probably represented steps which various members of Politburo had long felt advisable but which Stalin had personally prevented in his insistence on policy of maximum repression.
2. Mao was now strong enough to obtain Soviet acquiescence in seeking Korean armistice which Peiping had for some time desired.
3. Russia might at any time cause great damage by plausible offer on German reunification, quite possibly through ostensible acceptance of western proposals of last year. Any form of four-power talks could be dragged out interminably with consequent serious effect upon EDC and western rearmament.
4. None of Soviet feelers to date represent slightest change of policy or concession in principle. Berlin air talks, return of civilians from Korea and exchange of prisoners, represented merely slight moderation in intolerable practices without concessions of substance.
5. There is no indication that long-range Soviet objectives have changed in the slightest.
6. While measures so far taken have been designed primarily to influence opinion at home, Kremlin cannot be unaware of their potential effect in disorganizing western efforts to develop strength and unity.
7. New situation could be exploited to benefit of west only if exploration of general or particular offers is accompanied by unrelaxed effort to develop western strength and unity.

Margerie said that preponderance of Soviet strength had long weighed heavily on Bidault's mind and that latter was firmly convinced that no general settlement, and probably no major particular ones, could be obtained unless and until west had material strength equal to Russia.

DILLON

[1] Repeated for information to London, Moscow, and Bonn.

No. 581

Microfilm telegram files, "Moscow FY 53": Telegram

The Ambassador-Designate in the Soviet Union (Bohlen) to the Department of State[1]

RESTRICTED NIACT Moscow, April 14, 1953—7 p.m.

1466. Accompanied by Chargé d'Affaires I called on Molotov this afternoon and handed him the copies of the letters of credence and recall of my predecessor and requested him to arrange an appointment with the chairman of the Presidium of the Supreme Soviet. Molotov said he expected that this could be arranged "within the next few days" and accordingly as instructed I left with him for information a copy of the remarks[2] I would make on that occasion.

The visit was entirely protocol in nature and Molotov made no attempt to raise any matter of business nor did I. Molotov made no remarks of any particular significance but was extremely cordial in welcoming me to Moscow recalling our association during the war when he said our two countries had cooperated to their mutual benefit and to the benefit of the world as a whole. He also mentioned that my acquaintanceship with Stalin and with the members of the present Soviet Government would be an asset.

Molotov looked grayer and older than I recalled him but appeared in vigorous health and good spirits.[3]

BOHLEN

[1]Repeated for information to London, Paris, and Bonn.

[2]See Document 579.

[3]This is the only official report of this call upon Molotov; for Bohlen's brief personal recollections of the meeting, see Bohlen, *Witness to History*, p. 343.

No. 582

Microfilm telegram files, "Moscow FY 53": Telegram

The Acting Secretary of State to the Embassy in the Soviet Union[1]

SECRET WASHINGTON, April 15, 1953—6:34 p. m.

774. Address of President before American Society Newspaper Editors April 16 1:00 pm EST,[2] being transmitted to you by separate telegram, should be made occasion exceptional effort assure its importance recognized and intent correctly interpreted. You are

[1]Drafted by Barbour (EUR/EE).

[2]For text of President Eisenhower's speech, see *infra*.

therefore requested seek appointment with Minister Foreign Affairs or, if he unavailable, Deputy Minister Foreign Affairs to present copy of speech to Soviet Government promptly as possible after 1:00 pm EST April 16. In presenting copy (and in discussion with your diplomatic colleagues friendly and unfriendly) you are requested to make following points as appropriate:

1. This speech represents a most serious effort on the part of the US contribute to the relaxation of tensions and to facilitate a settlement of issues that now dangerously disturb the world.

2. The principles set forth in speech embody the long-term program of the new US Administration for the attainment of international stability and order.

3. In case any implication is made that the speech is intended largely as a psychological warfare move you may dismiss it by pointing out that the text makes amply clear that the US will accord full face value to concrete actions on the part of the USSR giving assurance of its good faith, but will not be impressed by words alone.

You are requested to assure that the speech and commentary along the lines of the foregoing are also given widest possible dissemination immediately upon delivery among your colleagues and other interested persons.

Report soonest summary reaction and follow with detailed despatch covering mission handling.[3]

This instruction constitutes amended version circular being sent all missions, suitably altered to meet conditions Moscow.

SMITH

[3]Telegram 1478 from Moscow, Apr. 17, reported that the text of President Eisenhower's message was delayed in transmission to Moscow and could not be delivered to the Soviet Foreign Ministry until the evening of Apr. 16. Telegram 1489 from Moscow, Apr. 18, reported that Beam called on Deputy Foreign Minister Podtserov on the evening of Apr. 17 and outlined points 1 and 2 of this telegram. The brief telegram concluded: "Podtserov seemed much impressed and said he could communicate Department's explanation 'to his Ministry'." (Microfilm telegram files, "Moscow FY 53")

No. 583

Address by President Eisenhower, April 16, 1953[1]

THE CHANCE FOR PEACE

In this spring of 1953 the free world weighs one question above all others: the chance for a just peace for all peoples.

[1]President Eisenhower delivered this address before the American Society of Newspaper Editors. It was broadcast nationwide over combined radio and television

Continued

To weigh this chance is to summon instantly to mind another recent moment of great decision. It came with that yet more hopeful spring of 1945, bright with the promise of victory and of freedom. The hope of all just men in that moment too was a just and lasting peace.

The 8 years that have passed have seen that hope waver, grow dim, and almost die. And the shadow of fear again has darkly lengthened across the world.

Today the hope of free men remains stubborn and brave, but it is sternly disciplined by experience. It shuns not only all crude counsel of despairs but also the self-deceit of easy illusion. It weighs the chance for peace with sure, clear knowledge of what happened to the vain hope of 1945.

In that spring of victory the soldiers of the Western Allies met the soldiers of Russia in the center of Europe. They were triumphant comrades in arms. Their peoples shared the joyous prospect of building, in honor of their dead, the only fitting monument—an age of just peace. All these war-weary peoples shared too this concrete, decent purpose: to guard vigilantly against the domination ever again of any part of the world by a single, unbridled aggressive power.

This common purpose lasted an instant and perished. The nations of the world divided to follow two distinct roads.

The United States and our valued friends, the other free nations, chose one road.

The leaders of the Soviet Union chose another.

The Road Followed by the United States

The way chosen by the United States was plainly marked by a few clear precepts, which govern its conduct in world affairs.

First: No people on earth can be held, as a people, to be an enemy, for all humanity shares the common hunger for peace and fellowship and justice.

Second: No nation's security and well-being can be lastingly achieved in isolation but only in effective cooperation with fellow nations.

Third: Any nation's right to a form of government and an economic system of its own choosing is inalienable.

Fourth: Any nation's attempt to dictate to other nations their form of government is indefensible.

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networks. The text printed here is derived from Department of State publication 5042. The text is also printed in Department of State *Bulletin*, Apr. 27, 1953, p. 599 and *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953*, p. 179.

Regarding the background of this address, see Document 594.

And fifth: A nation's hope of lasting peace cannot be firmly based upon any race in armaments but rather upon just relations and honest understanding with all other nations.

In the light of these principles the citizens of the United States defined the way they proposed to follow, through the aftermath of war, toward true peace.

This way was faithful to the spirit that inspired the United Nations: to prohibit strife, to relieve tensions, to banish fears. This way was to control and to reduce armaments. This way was to allow all nations to devote their energies and resources to the great and good tasks of healing the war's wounds, of clothing and feeding and housing the needy, of perfecting a just political life, of enjoying the fruits of their own free toil.

The Soviet Government held a vastly different vision of the future.

In the world of its design, security was to be found, not in mutual trust and mutual aid but in force: huge armies, subversion, rule of neighbor nations. The goal was power superiority at all cost. Security was to be sought by denying it to all others.

The result has been tragic for the world and, for the Soviet Union, it has been ironic.

The amassing of Soviet power alerted free nations to a new danger of aggression. It compelled them in self-defense to spend unprecedented money and energy for armaments. It forced them to develop weapons of war now capable of inflicting instant and terrible punishment upon any aggressor.

It instilled in the free nations—and let none doubt this—the unshakable conviction that, as long as there persists a threat to freedom, they must, at any cost, remain armed, strong, and ready for the risk of war.

It inspired them—and let none doubt this—to attain a unity of purpose and will beyond the power of propaganda or pressure to break, now or ever.

There remained, however, one thing essentially unchanged and unaffected by Soviet conduct: the readiness of the free nations to welcome sincerely any genuine evidence of peaceful purpose enabling all peoples again to resume their common quest of just peace.

The free nations, most solemnly and repeatedly have assured the Soviet Union that their firm association has never had any aggressive purpose whatsoever. Soviet leaders, however, have seemed to persuade themselves, or tried to persuade their people, otherwise.

And so it has come to pass that the Soviet Union itself has shared and suffered the very fears it has fostered in the rest of the world.

This has been the way of life forged by 8 years of fear and force.

What can the world, or any nation in it, hope for if no turning is found on this dread road?

A Life of Fear

The worst to be feared and the best to be expected can be simply stated.

The worst is atomic war.

The best would be this: a life of perpetual fear and tension; a burden of arms draining the wealth and the labor of all peoples; a wasting of strength that defies the American system or the Soviet system or any system to achieve true abundance and happiness for the peoples of this earth.

Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed.

The Costs of a World in Arms

This world in arms is not spending money alone.

It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children.

The cost of one modern heavy bomber is this: a modern brick school in more than 30 cities.

It is two electric power plants, each serving a town of 60,000 population.

It is two fine, fully equipped hospitals.

It is some 50 miles of concrete highway.

We pay for a single fighter plane with a half million bushels of wheat.

We pay for a single destroyer with new homes that could have housed more than 8,000 people.

This, I repeat, is the best way of life to be found on the road the world has been taking.

This is not a way of life at all, in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron.

These plain and cruel truths define the peril and point to the hope that comes with this spring of 1953.

This is one of those times in the affairs of nations when the gravest choices must be made, if there is to be a turning toward a just and lasting peace.

It is a moment that calls upon the governments of the world to speak their intentions with simplicity and with honesty.

It calls upon them to answer the question that stirs the hearts of all sane men: is there no other way the world may live?

Beginning of a New Era

The world knows that an era ended with the death of Joseph Stalin. The extraordinary 30-year span of his rule saw the Soviet Empire expand to reach the Baltic Sea to the Sea of Japan, finally to dominate 800 million souls.

The Soviet system shaped by Stalin and his predecessors was born of one World War. It survived with stubborn and often amazing courage a second World War. It has lived to threaten a third.

Now a new leadership has assumed power in the Soviet Union. Its links to the past, however strong, cannot bind it completely. Its future is, in great part, its own to make.

This new leadership confronts a free world aroused, as rarely in its history, by the will to stay free.

This free world knows, out of the bitter wisdom of experience, that vigilance and sacrifice are the price of liberty.

It knows that the defense of Western Europe imperatively demands the unity of purpose and action made possible by the North Atlantic Treaty Organization, embracing a European Defense Community.

It knows that Western Germany deserves to be a free and equal partner in this community and that this, for Germany, is the only safe way to full, final unity.

It knows that aggression in Korea and in southeast Asia are threats to the whole free community to be met by united action.

This is the kind of free world which the new Soviet leadership confronts. It is a world that demands and expects the fullest respect of its rights and interests. It is a world that will always accord the same respect to all others.

So the new Soviet leadership now has a precious opportunity to awaken, with the rest of the world, to the point of peril reached and to help turn the tide of history.

Will it do this?

We do not yet know. Recent statements and gestures of Soviet leaders give some evidence that they may recognize this critical moment.

We welcome every honest act of peace.

We care nothing for mere rhetoric.

We are only for sincerity of peaceful purpose attested by deeds. The opportunities for such deeds are many. The performance of a great number of them waits upon no complex protocol but upon the simple will to do them. Even a few such clear and specific acts, such as the Soviet Union's signature upon an Austrian treaty or its release of thousands of prisoners still held from World War II,

would be impressive signs of sincere intent. They would carry a power of persuasion not to be matched by any amount of oratory.

Working for Peace

This we do know: a world that begins to witness the rebirth of trust among nations can find its way to a peace that is neither partial nor punitive.

With all who will work in good faith toward such a peace, we are ready, with renewed resolve, to strive to redeem the near-lost hopes of our day.

The first great step along this way must be the conclusion of an honorable armistice in Korea.

This means the immediate cessation of hostilities and the prompt initiation of political discussions leading to the holding of free elections in a united Korea.

It should mean, no less importantly, an end to the direct and indirect attacks upon the security of Indochina and Malaya. For any armistice in Korea that merely released aggressive armies to attack elsewhere would be fraud.

We seek, throughout Asia as throughout the world, a peace that is true and total.

Out of this can grow a still wider task—the achieving of just political settlements for the other serious and specific issues between the free world and the Soviet Union.

None of these issues, great or small, is insoluble—given only the will to respect the rights of all nations.

Again we say: the United States is ready to assume its just part.

We have already done all within our power to speed conclusion of a treaty with Austria, which will free that country from economic exploitation and from occupation by foreign troops.

We are ready not only to press forward with the present plans for closer unity of the nations of Western Europe but also, upon that foundation, to strive to foster a broader European community, conducive to the free movement of persons, of trade, and of ideas.

This community would include a free and united Germany, with a government based upon free and secret elections.

The free community and the full independence of the East European nations could mean the end of the present unnatural division of Europe.

Reduction of Armaments

As progress in all these areas strengthens world trust, we could proceed concurrently with the next great work—the reduction of the burden of armaments now weighing upon the world. To this end we would welcome and enter into the most solemn agreements. These could properly include:

1. The limitation, by absolute numbers or by an agreed international ratio, of the sizes of the military and security forces of all nations.

2. A commitment by all nations to set an agreed limit upon that proportion of total production of certain strategic materials to be devoted to military purposes.

3. International control of atomic energy to promote its use for peaceful purposes only and to insure the prohibition of atomic weapons.

4. A limitation or prohibition of other categories of weapons of great destructiveness.

5. The enforcement of all these agreed limitations and prohibitions by adequate safeguards, including a practical system of inspection under the United Nations.

The details of such disarmament programs are manifestly critical and complex. Neither the United States nor any other nation can properly claim to possess a perfect, immutable formula. But the formula matters less than the faith—the good faith without which no formula can work justly and effectively.

A New Kind of War

The fruit of success in all these tasks would present the world with the greatest task, and the greatest opportunity, of all. It is this: the dedication of the energies, the resources, and the imaginations of all peaceful nations to a new kind of war. This would be a declared total war, not upon any human enemy but the brute forces of poverty and need.

The peace we seek, founded upon decent trust and cooperative effort among nations, can be fortified, not by weapons of war but by wheat and by cotton, by milk and by wool, by meat and by timber and by rice. These are words that translate into every language on earth. These are needs that challenge this world in arms.

This idea of a just and peaceful world is not new or strange to us. It inspired the people of the United States to initiate the European Recovery Program in 1947. That program was prepared to treat, with like and equal concern, the needs of Eastern and Western Europe.

We are prepared to reaffirm, with the most concrete evidence, our readiness to help build a world in which all peoples can be productive and prosperous.

This Government is ready to ask its people to join with all nations in devoting a substantial percentage of the savings achieved by disarmament to a fund for world aid and reconstruction. The purposes of this great work would be to help other peoples to develop the undeveloped areas of the world, to stimulate profitable and fair world trade, to assist all peoples to know the blessings of productive freedom.

The monuments to this new kind of war would be these: roads and schools, hospitals and homes, food and health.

We are ready, by these and all such actions, to make of the United Nations an institution that can effectively guard the peace and security of all peoples.

I know of nothing I can add to make plainer the sincere purpose of the United States.

I know of no course, other than that marked by these and similar actions, that can be called the highway of peace.

I know of only one question upon which progress waits. It is this:

What Is the Soviet Union Ready To Do?

Whatever the answer be, let it be plainly spoken.

Again we say: the hunger for peace is too great, the hour in history too late, for any government to mock men's hope with mere words and promises and gestures.

The test of truth is simple. There can be no persuasion but by deeds.

Is the new leadership of the Soviet Union prepared to use its decisive influence in the Communist world, including control of the flow of arms, to bring not merely an expedient truce in Korea but genuine peace in Asia?

Is it prepared to allow other nations including those of Eastern Europe, the free choice of their own forms of government?

Is it prepared to act in concert with others upon serious disarmament proposals to be made firmly effective by stringent U.N. control and inspection?

If not, where then is the concrete evidence of the Soviet Union's concern for peace?

The test is clear.

There is, before all peoples, a precious chance to turn the black tide of events. If we failed to strive to seize this chance, the judgment of future ages would be harsh and just.

If we strive but fail and the world remains armed against itself, it at least need be divided no longer in its clear knowledge of who has condemned humankind to this fate.

The purpose of the United States, in stating these proposals, is simple and clear.

These proposals spring, without ulterior purpose or political passion, from our calm conviction that the hunger for peace is in the hearts of all peoples—those of Russia and of China no less than of our own country. They conform to our firm faith that God created men to enjoy, not destroy, the fruits of the earth and of their own toil.

They aspire to this: the lifting, from the backs and from the hearts of men, of their burden of arms and of fears, so that they may find before them a golden age of freedom and of peace.

No. 584

Microfilm telegram files, "Moscow FY 53": Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State

SECRET NIACT Moscow, April 20, 1953—7 p.m.

1504. Following presentation of credentials[1] as is customary Voroshilov and Pushkin, interpreter and I retired to private room. After the usual amenities including certain personal recollections, I asked Voroshilov if he had had an opportunity to read the President's speech of last Thursday[2] which outlined very sincerely and clearly the position of my Government as well as the hopes and aspirations of the US Government and people for an improvement in the world situation compared to what had gone before.

Voroshilov said he had only read what had been published in the press at which point I informed him that the Embassy had sent to the Foreign Office on the evening of delivery a full and accurate text of the speech. Voroshilov then gave me the opening to bring in the points set forth in Department's 780.[3] After stating that the Soviet policy was consistently one of peace, good relations with all countries and amicable settlement of disputes, he stated that he hoped that better days lay ahead. As is characteristic of Voroshilov's mode of expression, he stated that he hoped and expected that the rigors of winter with its immobility and ice and snow was giving way in the world to the warmer climate of spring and especially between our two countries.

I replied that I was sure that the peoples of the world shared that wish and that insofar as the people and Government of the United States were concerned, the success or failure of the truce talks in Panmunjom would be a real test of whether this was possible. I added that the Soviet Government was not a participant in

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[1]In a one-sentence telegram 1503, Apr. 20, Bohlen reported that he had presented credentials to Voroshilov in the customary ceremony at the Kremlin at 1 p.m. (Microfilm telegram files, "Moscow FY 1953") A photograph of the ceremony is in Bohlen, *Witness to History*, p. 370.

[2]See *supra*.

[3]Telegram 780, Apr. 17, instructed Bohlen to take up the Korean truce negotiation problems, "ostensibly casually", following presentation of credentials or some other early opportunity. For text, see vol. xv, Part 1, p. 914.

these negotiations but that in view of Mr. Molotov's support of Chou En-lai's[4] statement that it was appropriate for me to mention this matter to him. I said that it was earnestly to be hoped that the North Korean and Chinese negotiators fully understood that [garble] key issue of the POWs under no circumstances could [garble] or be party to any agreement which would [garble] the forcible repatriation of any POW who did not [apparent omission] erring to the theme of the acid text [*test?*]. [Apparent omission] I told Voroshilov that in the unfortunate event that the present attempt at an armistice failed that it could be taken as a sign by the American people that the hopes for a more favorable world situation which he Mr. Voroshilov had just referred to were not to be realized; that it must be apparent to all serious people that an honorable truce in Korea was an essential prerequisite to any future improvement in the world situation; and that as a [garble] he could understand how deeply people of the United States felt on this point. I did not attempt to go into any of the details of General Harrison's letter as the moment did not seem appropriate and Voroshilov was clearly not familiar with the POW issue.

Voroshilov did not disagree with any of my remarks and Pushkin who was present expressed complete agreement with my view that a truce in Korea was essential, without however touching on the POW issue. Our talk was amicable and I found interesting the promptness and even eagerness with which Pushkin supported my statement in regard to the importance of an armistice in Korea.

BOHLEN

[4]Foreign Minister of the People's Republic of China.

No. 585

661.00/4-2453: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Secretary of State, at Paris[1]

TOP SECRET PRIORITY MOSCOW, April 24, 1953—1 a.m.

448. Eyes only for Secretary. It had been our original intention to review and analyze all developments both internal and external since Stalin's death but in the belief that they might be of some

[1]Repeated as telegram 1518 to the Department of State eyes only for the Acting Secretary, which is the source text.

Secretary Dulles attended the North Atlantic Council Ministerial session in Paris, Apr. 23–27. For documentation on that meeting, see vol. v, Part 1, pp. 368 ff.

interest and possible value to you in connection with the discussion of this subject at the present NATO meeting I am setting down certain preliminary considerations concerning the foreign policy moves of the new Soviet Government as they appear at this time.

Understandably any evaluation of the degree of change involved in present phase of Soviet conduct of its foreign affairs vary in considerable degree depending upon the estimate of what constituted previous policy under Stalin. It has long been my belief, as Department is aware, that Soviet foreign policy was in large measure determined by the nature of the Soviet state structure and the requirements for the maintenance of Soviet power rather than by any dedication to ideological considerations or sense of mission in regard to world Communism. Against this background the present softer policy of the new government appears less of a break with the past than it may appear to those who believed that the chief preoccupation of Stalin and his associates was the implementation of a previously conceived "design" or blueprint for the establishment of world Communism or world conquest.

The Soviet Union still remains a police dictatorship with total control over every aspect of its political, economic and social life still firmly lodged in the hands of a small group of men. There has been no sign that the new leadership intends to alter any of the basic elements of the Soviet State or the fundamental policy of control from the top over all its citizens and the furtherance to the maximum degree of the growth of its industrial and military power. Therefore, whatever phase we may be entering in regard to the conduct of Soviet foreign affairs, it is still conditioned by the limitations imposed by a modern totalitarian state and any descriptions of Soviet policy such as *détente*, relaxation et cetera must be understood as falling within the limitations imposed by the system itself. It appears to us here natural and possibly even inevitable that the new leadership of the Soviet Union, forced to deal directly with the gigantic task of the organization of a new administration and direction of the Soviet structure without the advantages and disadvantages of Stalin's one-man rule, would seek a period of relative tranquility during this process which is still far from complete. The record of the softer and more reasonable Soviet attitude in regard to a number of questions since the death of Stalin appears to us here to be a function of the business of establishing the leadership based on a different principle rather than any evidence of a radical departure from previous Soviet policy. The chief element in this transition seems to be an attempt to shift over from the "Fuehrer Prinzip" of one-man leadership developed to such a high point by Stalin to at least the announced principle of collective leadership by committee or council rule. The great question for the

future which only time will answer is whether or not the Soviet system can be run by a committee or whether it requires the arbitrary power of final decision by one man. What has happened in foreign affairs in the direction of a *détente* seems a logical corollary to the efforts internally to create in the Soviet Union an atmosphere of calm and hope of better times (always within Soviet terms of reference) as contrasted with the rigors of arbitrary terror so characteristic of Stalin's rule.

A development of interest particularly to United States in this connection is the cessation of the hate-America campaign. Although standard critical references to the United States are carried in the press, it can be stated that since the death of Stalin hate-America propaganda as an orchestrated, calculated campaign has been brought to a halt and there are at present no signs of its revival although this could of course occur at any time. (The Embassy has no information as to whether a similar halt has been called in all the satellite press.)

Since my arrival in Moscow we have not obtained any information from any source which would give any clear clue to the future course of Soviet foreign policy or the degree to which the present leadership is prepared to go in any settlement of outstanding questions on acceptable lines which could lead to a genuine rather than a fictitious lessening of the international tension. The following considerations therefore are ones which appear to us logically inherent in the situation rather than based on any information or fact and may be useful in charting our future course of action and that of our allies in relation to the Soviet Union:

1. The present leadership for reasons of its own has made a great public expression of its desire for peace. The statement of Malenkov in the Supreme Soviet has been picked up and given a prominent place in the May Day slogans and the central press continues to emphasize the theme of peace and desire of the Soviet Government for good relations with all countries. Everyone is familiar with similar statements from Soviet authorities before but there is one aspect of the present situation which in our view deserves careful consideration. It is extremely doubtful if the present leadership has the same liberty of action as Stalin and the ability to disregard as cynically as he did the contradiction between word and deed in the Soviet Union. Stalin had established for himself a position of such supreme power that he was regarded in this country as exempt from any consideration or rules other than those of his own making. It will not be as easy for the present ruling group to go back on their professions of peace as it was for Stalin.

2. It is doubtful furthermore, pre-occupied as they are with the problem of organizing their domestic rule, that the present leaders have thought through fully their future policy in the realm of foreign affairs. There are certain signs of uncertainty on the part of the new leadership. The strongest evidence to this effect is the fact

that, contrary to previous Soviet practice, one week has elapsed since the President's speech without any Soviet official reaction. In a minor key the rather nostalgic references by both Molotov and Voroshilov to me about old times may reflect on their part a certain concern before the monumental responsibilities they face in the future without the presence of Stalin.

3. There is considerable evidence in the Soviet press of a preoccupation on the part of the new leadership with their relations with China and with the European satellites.

4. It can be taken as a fact that whatever may be the real causes of the present Soviet attitude in foreign affairs that they will be quick to exploit any signs of division in the West and to attempt to frustrate adoption of the EDC and in particular German rearmament.

In the circumstances I would venture to suggest that the following points might be worth considering in regard to a coordinated position with our allies in NATO.

1. As long as the Soviet Union remains a totalitarian state, concentrating on the development of its military and economic power reinforced by its ideology, the menace it represents to the free nations of the world will remain constant regardless of the particular aspect it chooses to present to the outside world.

2. More than ever the West should continue its announced policy of developing strength and unity. Any fall back in Western effort in these directions would certainly eliminate whatever opportunities there may exist to exploit the present Soviet situation to the advantage of the free world.

3. We should continue and maintain the note struck in the President's speech of calmness, confidence and receptivity to any diplomatic opportunity to settle outstanding questions along acceptable lines.

4. Attempts to force the issue for the sake of superficial and temporary propaganda gains to "put the Soviet Government on the spot" would in our opinion be counter productive and might reverse a trend which under certain circumstances we could turn to the advantage of the whole free world. We should consider every possibility of inducing or forcing the new leadership to commit itself more deeply to the line advanced since the death of Stalin.

It will of course be understood that the foregoing analysis deals exclusively with the Soviet situation and areas under its unquestioned control and does not attempt to enter into the Far Eastern situation which is complicated by the uncertainties of Soviet-Chinese relations at this particular juncture.

BOHLEN

No. 586

INR–NIE files

Special Estimate[1]

SECRET
SE–42

[WASHINGTON,] 24 April 1953.

CURRENT COMMUNIST TACTICS

THE PROBLEM

To estimate the significance of current Communist "peace" tactics.

ESTIMATE

1. Since the announcement of the death of Stalin the various gestures and statements by the Soviet and Chinese Communist Governments have followed so swiftly upon each other, and the evidence concerning relations among the men in the Kremlin has remained so obscure, that any estimate of the situation is apt to be quickly outdated. This estimate is a brief presentation of provisional conclusions on the subject as of the present date.

2. Recent statements and actions of the Soviet and Chinese Communist Governments demonstrate that the Communists have adopted, at least for the moment, a conciliatory posture in their dealings with the West.

3. There have also been developments within the USSR which may prove to be of profound significance for Soviet foreign policy. We are unable as yet to estimate the meaning of these developments. It may be that the present Soviet Government is united, securely entrenched in power, and has agreed upon tactics which will be developed with consistency and determination. It is also possible, however, that an intense struggle for power may be in progress in the Kremlin. If the latter is the case, current Soviet tactics may proceed from the regime's instability, and Soviet foreign as well as domestic policy may fluctuate as one or another faction in the Kremlin gains temporary ascendancy. So far, however, the current Soviet tactics in foreign relations give no indication of infirm purpose in the Kremlin.

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[1]Regarding Special Estimates, see footnote 1, Document 552.

According to a note on the cover sheet of this SE, the intelligence organizations of the Departments of State, the Navy, the Air Force, the Army, and the Joint Staff participated in the preparation of this estimate. The note further records that the Intelligence Advisory Committee concurred in this estimate on Apr. 21.

4. In Korea, we estimate that the Communists are now prepared to make some concessions in order to reach an armistice. However, there are ambiguities in the Communist proposals on the POW issue. These ambiguities may conceal difficulties which would prevent the conclusion of an armistice. Moreover, we believe that, possibly in connection with the armistice negotiations, and almost certainly in connection with negotiations for a political settlement, the Communists will introduce proposals which the US will find extremely difficult to accept but which some members of the UN will not be disposed to reject, especially in the atmosphere of hope created by the current Communist tactics. In any case, we believe that the Communist objective to gain control of all Korea will remain unchanged.

5. With respect to Germany, we believe that the Kremlin is unlikely to implement courses of action which would jeopardize Kremlin control over East Germany. The Communists may again make dramatic proposals for free elections, for the withdrawal of occupation forces, and for the reunification of Germany. However, we believe that such proposals would contain conditions which the Kremlin would intend to be unacceptable to the West, or that, in making these proposals, the Kremlin would intend to prevent their implementation. These proposals would be designed to frustrate the EDC program and the rearmament of West Germany, capitalizing on the atmosphere created by Communist concessions in Korea and by the conciliatory Soviet behavior.[2]

6. Likewise, the Kremlin will probably continue to make proposals for general disarmament, but we believe that these will be made for propaganda effect, and not in the expectation that they would be accepted by the West.

7. In many other ways the Kremlin could easily win some temporary advantage and embarrass the West without real disadvantage to the Bloc. For example, the Soviet Government might accede to the Tripartite Declaration of 1948 calling for the return of Trieste to Italy. It might offer a peace treaty to Japan containing various attractive economic and even territorial clauses. It might facilitate the departure of Jews to Israel from Eastern Europe and the USSR. The Communists might propose an Austrian peace treaty,

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[2]The Deputy Director for Intelligence, The Joint Staff, believes that with respect to Germany, the Kremlin may be willing to withdraw its troops from East Germany, if the Soviet Union considered that by doing so, it could force the Western Powers to withdraw their troops from West Germany, frustrate the EDC program, and the rearmament of Germany. The Communists may also make proposals for free elections and for the reunification of Germany, in the hope that they would be able to secure a demilitarized and neutral German state. [Footnote in the source text.]

or even offer a peaceful settlement of the war in Indo-China, on terms difficult alike to accept or to reject. The aim of such maneuvers would be to impair the political and military strength of the West, and to reap the greatest possible benefits from a decision to end the Korean War.

8. Our present view is that the purpose of current Kremlin tactics is to create an atmosphere in which resistance to Communism and to Soviet imperialism will be weakened. There is no basis for concluding that the fundamental hostility of the Kremlin toward the West has abated, that the ultimate objectives of the Soviet rulers have changed, or that the menace of Communism to the free world has diminished.[3]

[3]The Deputy Director for Intelligence, The Joint Staff, believes the last sentence of paragraph 8 should read: "Although there is no basis for concluding that the fundamental hostility of the Kremlin toward the West has abated, that the ultimate objectives of the Soviet rulers have changed, or that the menace of Communism to the free world has diminished; it is possible that the Soviets have adopted courses of action designed for the present to reduce the threat of general war." [Footnote in the source text.]

No. 587

Microfilm telegram files, "Moscow FY 53". Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State[1]

RESTRICTED NIACT Moscow, April 25, 1953—5 p. m.

1526. Today's *Pravda* carries unprecedented full first page, six columns article entitled Regarding President Eisenhower's Speech.[2] Third page carries accurate and full translation President's address.

Following main points of special interest in article:

President's speech is taken as "some kind of reply recent statements Soviet Government re possibility peaceful solution controversial international questions". Stating that President's remarks regarding absence insoluble questions contrast with other statements in his speech, article takes up particular problems.

Korea: Those seeking concrete proof can assess significance Soviet support North Korean and Chinese attempts end Korean war.

[1]Repeated for information to Secretary Dulles in Paris.

[2]Document 583. For full text of the *Pravda* article of Apr. 25, translated into English, see *Current Digest of the Soviet Press*, May 16, 1953, pp. 3 ff. For extracts from the article, see *Documents* (R.I.I.A.) for 1953, pp. 51–57.

Germany: President's speech does not offer basis for solution German question. It, like previous US Government fails consider existence Potsdam Agreement. "If Anglo-American bloc does not take this into account and continue on its chosen path having rendered impossible national unification Germany and having transformed its western part into military state wherein power remains in the hands of Revanchistes, it will be a fateful mistake, . . .".[3] Question is to achieve speediest conclusion peace treaty permitting German unity and consequently withdraw occupation forces.

China: President's address failed mention China "is not this question one of urgent international problems of our times?"

East Europe: "It would be strange to expect of the Soviet Union interference aimed toward restoration of the reactionary regime overthrown by these peoples".

Austria: "Here also no such questions as cannot be resolved on the basis of earlier concluded agreement under conditions of genuine observance of democratic rights of Austrian people."

UN: 60 members UN subscribers to Charter did not foresee that certain governments would ignore their decisions regarding unanimity of five great powers. "Largest country in world—China—is deprived of possibility of participation . . ." "In any event impossible avoid solution this question as also series other international problems which have developed. If we are striving that there should be less words and more action then obviously it must be possible to find a way toward solution of problems of this nature."

"Fund for World Aid": "Dynamic aims USA foreign policy" foreshadows continuation "Marshall Plan", "Truman's Point Four". As indicated by Burmese rejection [garble] economic aid, world demands removal by US of obstacles to development of normal trade.

Article's sharpest language is used in reference speech Secretary Dulles[4] "two days after Eisenhower's address". Soviet policy is determined by the interests of the Soviet people, interests of peace and international security and not by toughness or softness of policy of US or other governments. "In view of such statements of official representatives of USA it is difficult judge just what is actual foreign policy position of USA at present time", whether it wishes relieve tension or continue rearmament policy. "In opinion Soviet leaders, proposals actually directed toward peace can serve as basis for improvement international relations. This however

[3]All ellipses are in the source text.

[4]Secretary Dulles addressed the American Society of Newspapers Editors on Apr. 18. For text of his address, see Department of State *Bulletin*, Apr. 27, 1953, pp. 603–608.

does not mean that Soviet leaders are prepared accept as such proposals new variations of old recipes".

Postwar International Relations: President distorted truth in attempt show that Anglo-American bloc policies have been directed toward peace. President showed amounts expended on various war equipment "but what is said by the President is completely insufficient. Had President of USA spoken about the cost to the American people of accumulation of reserves of atom bombs and also construction of many hundreds of military bases far beyond the borders of the USA and perhaps how all this has nothing in common with any kind of defense interests of the USA then there would be revealed a picture much closer to reality and considerably more instructive."

Disarmament: Soviet Government has no objection to five points mentioned by President "however all these proposals are too general in nature". War fear exists in US not USSR.

US–USSR: "We have no intention of entering into a discussion with the President concerning the rather strange statement about some kind of end of an era in Soviet policy . . ." "New President USA himself for some reason unconditionally undertakes to defend the whole policy of his predecessor which at one time particularly in the period of election campaign he criticized in many respects and not without foundation . . ." In his speech the President of the USA for some reason considered it necessary to tie his proposals regarding peace to a whole series of preliminary conditions presented by him to the Soviet Union although these claims in his speech are not strengthened by appropriate obligations on the part of the USA . . ." "As is known Soviet leaders do not tie their appeal for peaceful settlement of international problems to any preliminary demands of the USA or other country, either connected with or not connected with the Anglo-American bloc. Does this mean that the Soviet side has no claims? Of course it does not mean this. Nevertheless the Soviet leaders will welcome any step on the part of the Government of the USA or the government of another country if it is directed toward amicable settlement of controversial questions. This testifies to the readiness of the Soviet side for serious, businesslike discussions of appropriate problems by means of direct negotiation as well as in necessary instances within the framework of the UN". The President's statement regarding US willingness to assume just part "was not strengthened in any way in Eisenhower's speech of April 16. It (the speech) is actually lacking in this respect".

BOHLEN

No. 588

611.00/4-2553: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State[1]

TOP SECRET NIACT MOSCOW, April 25, 1953—6 p. m.

1527. The full page statement on President's speech and the publication of the speech itself[2] without deletions or any attempt to soften the vigor of the comment on Soviet policies are in themselves events of great importance and in my experience unparalleled in the Soviet Union since the institution of the Stalinist dictatorship. The article itself will require further careful study.

The following preliminary comments are those which on first examination appear to us to merit special mention in addition to points mentioned in Embassy telegram 1526:

1. A great deal of thought and care have obviously gone into the preparation of this article and it is not surprising from its contents that it took a week to compose although possibly the timing of the publication may have been fixed to coincide with the end of the NATO meeting in Paris.[3]
2. It bears evidence of a group composition. Certain variations in style as well as the construction of some sentences appear to reflect the work of several individuals.
3. The name of Stalin does not appear and in describing the Soviet Government the words "Soviet leaders" in the plural are most frequently used.
4. The article is cautious and wary even to the point of indecision and may reflect either the uncertainty of the present leadership or a compromise of differing views with it.
5. The document is not primarily designed for mass propaganda purposes. It is too long and subtle for effective and simple exploitation. Individual phrases (although these are also surprisingly few) can and probably will be selected for emphasis and exploitation by the Soviet and Communist propaganda.

In general the article appears to be designed to serve the following main purposes:

a. To avoid the appearance of throwing cold water on any prospects of peaceful solution and improved relations initiated by President.

b. An attempt to shift the onus placed on the Soviet Union by the President's remarks for the present state of the world back on to the US and its allies. The weakness and, in Soviet terms, mild-

[1]Repeated for information to Secretary Dulles in Paris.

[2]See telegram 1526, *supra*.

[3]Reference is to the Eleventh Session of the North Atlantic Council, Apr. 23–27; for documentation, see vol. v, Part 1, pp. 368 ff.

ness of the rebuttal (with the exception of the attacks on the Secretary) plus the publication in full of the President's accurate and trenchant criticism of Soviet policies are striking in the light of past Soviet reaction to any criticism.

c. An attempt to toss the ball back to the United States by declaring that the "Soviet leaders would welcome any step from the US Government" etc., and a rather clear preference for the use of diplomatic channels over those of the United Nations.

d. As already reported, the article gives no new information or clue concerning future Soviet positions in regard to specific subjects listed by President.

It is the Embassy's opinion and also of members of Diplomatic Corps with whom we have had an opportunity to discuss the subject that in this public exchange the United States has come out distinctly the winner. Some reaction from the US Government will of course be necessary without too long a delay. However, in our view while obviously the Soviet reply to the President's speech is not satisfactory or sufficiently definite to give any clear indication of their future policies, we believe it desirable to avoid having this exchange degenerate except by Soviet choice into a propaganda battle, especially since as matters now stand the advantage seems to us to lie with us. We believe it would keep the present Soviet leadership more off-balance and help force them to reveal more of their real purposes if US official comment continues to follow present line inaugurated by President's speech.

Department repeat to other posts in its discretion.

BOHLEN

No. 589

611.00/4-2553

President Eisenhower to Prime Minister Churchill[1]

TOP SECRET [WASHINGTON, April 25, 1953.]

DEAR WINSTON: I am glad to learn from your message of April 22[2] that Anthony is progressing and hope he will soon be completely restored.

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[1]Transmitted in telegram 7047, Apr. 25, for Ambassador Aldrich with instructions that the message be delivered to Churchill. The telegram indicated that the signed original was being sent to London by diplomatic pouch.

[2]In this message to President Eisenhower, Prime Minister Churchill reported that the President's address of Apr. 16 had been well-received in the United Kingdom. Churchill went on to suggest a meeting of heads of state or government with the Soviet Union. Churchill preferred to limit the meeting to the USSR, the United Kingdom, and the United States. Churchill also suggested that he might have to

Continued

Your comments about the reception of my recent speech were most welcome and I warmly appreciate the support contained in your statement in the House of Commons and Mr. Morrison's reply.

As to the next step, I feel that we should not rush things too much and should await the Soviet reply or reaction longer than a few days. There is some feeling here also for a meeting between Heads of States and Governments, but I do not think this should be allowed to press us into precipitate initiatives. Premature action by us in that direction might have the effect of giving the Soviets an easy way out of the position in which I think they are now placed. We have so far seen no concrete Soviet actions which would indicate their willingness to perform in connection with larger issues. In the circumstances we would risk raising hopes of progress toward an accommodation which would be unjustified. This is not to say, of course, that I do not envisage the possible desirability at an appropriate time that the three Western Powers and the Soviets come together. We should by all means be alert.

My thinking concerning a personal contact at this moment runs somewhat along the same line. The situation has changed considerably since we talked in New York and I believe that we should watch developments for a while longer before determining our further course. However, if you should find it necessary for some special and local reason to seek a personal contact, we would hope for as much advance notice as you could possibly give us.

With warm regards,

As ever,

IKE

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consider seriously a personal contact with the Soviet leadership if no three-power conference could be arranged. (Presidential Correspondence, lot 66 D 204, "Churchill-Eisenhower Correspondence") The letter is printed in vol. VI, Part 1, p. 975.

No. 590

INR-NIE files

Special Estimate[1]

SECRET
SE-44

[WASHINGTON,] 30 April 1953.

THE SOVIET STATEMENT OF 25 APRIL 1953 IN REPLY TO PRESIDENT EISENHOWER'S SPEECH ON 16 APRIL 1953

THE PROBLEM

To estimate the significance of the Soviet statement of 25 April 1953.

ESTIMATE

1. The Soviet statement of 25 April 1953[2] is a defense of Soviet policy and of the world Communist movement, and a condemnation of US policy. The statement gives no indication that the rulers of the USSR will modify their stand on any of the issues outstanding between East and West.

2. The publication of the full text of President Eisenhower's speech[3] is an unusual but not unprecedented act. The Soviet press has occasionally published the speeches and writings of "capitalist" statesmen when such action could serve as the basis for a reply. In this case, one motive for publication may have been the conviction that the speech could be represented to the Soviet people as a demand for the surrender by the USSR of the gains of World War II, and of Communist principles, as the price of peace with the US. Probably also the Soviet rulers hoped by publishing the President's speech to convince world opinion of the sincerity of current Soviet "peace" tactics.

3. While Soviet and world Communist policies and actions are consistently defended in the statement as serving peace and justice, there is an intimation that areas such as Korea, Germany, and Austria, and subjects such as East-West trade and disarmament, are open for discussion. In each case, the rectitude of past Soviet positions is affirmed, with the suggestion that it is up to the US to

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[1]Regarding Special Estimates, see footnote 1, Document 552.

According to a note on the cover sheet of this SE, the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the CIA in the preparation of this estimate. The note further records that the Intelligence Advisory Committee concurred in this estimate on Apr. 28.

[2]See Document 587.

[3]Document 583.

make the first step towards a settlement. However, the territories now in the Bloc, as well as the "national liberation movement" in the colonial and semi-colonial areas of Asia, are excluded from discussion.

4. The over-all impression left by the statement is that it is a skillful effort to promote dissension within the US Government, between the US Government and the American people, and above all, between the US and the rest of the non-Communist world. The statement suggests that the rulers of the USSR envisage a prolonged political warfare campaign exploiting the "peace" theme and that, whether or not there is an internal struggle for power, they are united on questions of foreign policy. The statement gives no indication that they are prepared to make substantial concessions.

No. 591

Presidential Correspondence, lot 66 D 204, "Churchill-Eisenhower Correspondence"

Prime Minister Churchill to President Eisenhower

PERSONAL AND CONFIDENTIAL

[LONDON,] May 4, 1953.

I thought of sending something like the following to Molotov:

Begins:
I had hoped you and Eden might soon be having a talk about things as you know each other so well, but his unfortunate illness will prevent this for some time. I wonder whether you would like me to come to Moscow so that we could renew our own war-time relation and so that I could meet Monsieur Malenkov and others of your leading men. Naturally I do not imagine that we could settle any of the grave issues which overhang the immediate future of the world, but I have a feeling that it might be helpful if our intercourse proceeded with the help of friendly acquaintance and goodwill instead of impersonal diplomacy and propaganda. I do not see how this could make things worse. I should of course make it clear I was not expecting any major decisions at this informal meeting but only to restore an easy and friendly basis between us such as I have with so many other countries. Do not on any account suppose that I should be offended if you thought the time and circumstances were unsuitable or that my thought and purpose would be changed. We have both of us lived through a good lot. Let me know how you and your friends feel about my suggestion.
Ends.

The sort of date I have in mind would be three or four days in last week of May. All good wishes.

WINSTON

No. 592

Eisenhower Library, Eisenhower papers, Whitman file

President Eisenhower to Prime Minister Churchill[1]

TOP SECRET WASHINGTON, May 5, 1953.

DEAR WINSTON: Thank you for yours of May fourth[2] giving me the lines of a message you are thinking of sending to Molotov. Foster and I have considered it deeply and since you sought my views I must say that we would advise against it.

You will pardon me, I know, if I express a bit of astonishment that you think it appropriate to recommend Moscow to Molotov as a suitable meeting place. Uncle Joe used to plead ill health as an excuse for refusing to leave territory under the Russian flag or controlled by the Kremlin. That excuse no longer applies and while I do not for a minute suggest that progress toward peace should be balked by mere matters of protocol, I do have a suspicion that anything the Kremlin could misinterpret as weakness or overeagerness on our part would militate against success in negotiation.

In my note to you of April twenty-fifth[3] I expressed the view that we should not rush things too much and should not permit feeling in our countries for a meeting between heads of states and governments to press us into precipitate initiatives. I feel just as strongly now as I did ten days ago that this is right, and certainly nothing that the Soviet Government has done in the meantime would tend to persuade me differently. I do not feel that the armistice negotiations are going well and this to me has been the first test of the seriousness of Communist intentions. Far from there having been any Communist actions which we could accept as indications of such seriousness of purpose the *Pravda* editorial repeats all the previous Soviet positions[4] and we are now faced with new aggression in Laos.

But in my mind the most important considerations are the results which might be expected to flow from such a personal contact and the effect of such a meeting on our allies, the free world in general, and the Russians themselves. It would of course finally become known that you had consulted me, and it would be difficult for me to explain the exact purpose of the visit. Beyond this, fail-

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[1]Attached to a memorandum from Eisenhower to Secretary Dulles requesting that this message be transmitted to Churchill. Another draft of this message was also attached to the source text.

[2]*Supra.*

[3]Document 589.

[4]Reference is presumably to the editorial in *Pravda*, Apr. 25, responding to Eisenhower's speech of Apr. 16; see Document 587.

ure to consult the French would probably infuriate them, especially when the situation in Indochina is hanging in the balance. If they were consulted in advance, the result would almost certainly be a proposal for a four-party conference, and this, I am convinced, we are not ready for until there is some evidence, in deeds, of a changed Soviet attitude.

Many would expect dramatic and concrete achievements from a personal visit to Moscow by the Prime Minister of Great Britain. Whatever you said publicly about the purposes of your solitary pilgrimage, I suspect that many in the Far East as well as the West would doubt that you would go all the way to Moscow merely for good will. I feel this would be true in this country, and the effects on Congress which is this week taking up consideration of our Mutual Defense Program an extension of our Reciprocal Trade Act, would be unpredictable. It seems to me that in this crucial period when the Soviet peace offensive is raising doubts in people's minds, the thing we must strive for above all other is to maintain mutual confidence among the members of NATO and other free nations and to avoid any action which could be misinterpreted. Naturally the final decision is yours, but I feel that the above factors are so important that I should in all candor and friendship lay them before you.[5]

As ever,

IKE E.

[5]In his reply of May 7, Churchill reiterated the utility of a visit to the USSR, recalling his own experience in dealing with the Soviet leadership during World War II. Churchill argued further that none of the existing Soviet leadership, except Molotov, had contacts outside the USSR. While he did express a difficulty in an "attitude of pure negation", he nevertheless indicated his intention to consider Eisenhower's "adverse advice" with the Cabinet. (Eisenhower Library, Eisenhower papers, Whitman file) For complete text of Churchill's note, see vol. VI, Part 1, p. 980.

No. 593

611.61/5–653: Telegram

The Secretary of State to the Embassy in the Soviet Union[1]

SECRET WASHINGTON, May 6, 1953—6:32 p. m.

816. We have considered carefully how best capitalize on recent Soviet developments to further solution many bilateral issues between US and USSR and satellites. Copy memorandum giving fur-

[1]Drafted by Barbour (EUR/EE); cleared by Bonbright and Merchant (EUR), Matthews (G), and Smith; and signed by Barbour for the Secretary.

ther background information our thinking this regard being transmitted you separately.[2] Our conclusion is that initially it would be desirable for you seek interview with Molotov (urtel 1552[3]) and raise with him matters Soviet wives American citizens, Balashova children and American soldiers Knight and Michalowski. Leave method approach these cases your judgment. However seems to us that, aside from general humanitarian grounds, it might be effective suggest hollowness to US public Soviet professions desire improve relations in absence solution such problems. In addition foregoing desire you raise at same time with Molotov Oatis case.[4] Do not believe it advisable you enter into details latter, but you might take line that, while Soviets not directly concerned, continued imprisonment Oatis is major deterrent in US to credibility sincerity Soviet-sponsored effort clear atmosphere and in circumstances would be Soviet interest to exert influence its friends in Czecho to obtain release. You might note Oatis is eligible under Czech law for commutation sentence to deportation, that this Government has made repeated efforts with Czechs, including transmission March 30 confidential message from President to Czech President Zapotocky, and in meantime, while substantive response Czech authorities has been awaited, Czechs have issued amnesty decree.

FYI. Language amnesty appears to exclude espionage cases such as Oatis but in absence positive statement from Czechs believe important we take position decree should apply to him.

DULLES

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[2]Not further identified.

[3]In telegram 1552, Bohlen observed that he had avoided seeking an interview with Molotov to deal purely with USSR-U.S. problems of a primarily humanitarian concern as the cases of six Soviet wives of American citizens and the children of another such wife. Bohlen felt that there was an understandable interest to take up this question with the Soviet Foreign Ministry in the hope that the new circumstances in the USSR might increase the chances of positive results. Furthermore the British Ambassador had intervened on a similar case and obtained the release of one Soviet spouse. Bohlen asked the Department if an approach by him to Molotov on this matter in the near future would conflict with other considerations. (Microfilm telegram files, "Moscow incoming FY 53")

[4]Regarding the imprisonment and eventual release by Czechoslovak authorities of American correspondent William Oatis, see Documents 1 ff.

No. 594

Eisenhower Library, C. D. Jackson papers

Paper Prepared by Walt Whitman Rostow, Massachusetts Institute of Technology[1]

[CAMBRIDGE, May 11, 1953.]

NOTES ON THE ORIGIN OF THE PRESIDENT'S SPEECH OF APRIL 16, 1953

The purpose of these notes is to supply that limited portion of the record of events known to me leading up to the delivery of the President's speech of April 16, 1953.[2] It should be borne in mind throughout that my knowledge is partial. The record can only be filled out by others, particularly by Mr. C. D. Jackson.

1. The Princeton Meeting of May 11-12, 1952.

The Princeton meeting of May 11-12, 1952, laid the foundation for the President's speech almost a year later. That meeting was called by Mr. C. D. Jackson, then Chairman of the National Committee for a Free Europe. Professor Jerome Wiesner[3] (M.I.T.) suggested to Mr. Jackson that I be invited, due to the work I was doing on the Soviet Vulnerability Project at CENIS, for which I was the responsible director. The purpose of the meeting was to explore the possibilities of solving the problem faced by Radio Free Europe in broadcasting persuasively to Eastern Europe. RFE's problem, briefly, was this: It had developed considerable operational capabilities, but American policy offered an inadequate foundation for talking persuasively to Eastern Europeans in terms of their problems and aspirations.

Appendix 1[4] lists those present at the meeting. Those representing Radio Free Europe, notably . . . , indicated the feeling that there was a fundamental lack of content in enunciated American policy on which persuasive and effective radio broadcasts could be based. Appendix 2 includes the RFE submissions to the meeting. The RFE position was supported by Mr. Rostow and others. It was opposed by representatives of the Department of State who felt that further statements of American policy would involve forward commitments we might not be prepared to honor, or which would

[1]Transmitted to C. D. Jackson by Rostow with a brief letter of May 12 and a list of 18 appendices of which texts were provided for four. Rostow requested that Jackson provide the remainder. The additional 14 appendices were not found attached to the source text. None of the appendices is printed.

[2]For text, see Document 583.

[3]Professor of Electrical Engineering and Director of the Research Laboratory for Electronics at the Massachusetts Institute of Technology.

[4]The appendix lists 27 persons present for the May 10-11, 1952, meetings including Charles Bohlen, George Morgan, and Robert Joyce of the Department of State.

embarrass the government at home (by creating a dangerous crusade) or abroad. An important intervention was made by former Ambassador Grew,[5] who described his profound regret that no effort was made to hold out before the Japanese people a vision of American intentions different from that projected in the Japanese press by the Japanese government in 1940–41. At the close of the afternoon of May 11 a drafting committee was appointed to see if an agreed statement of American policy might be formulated which would better meet the requirements of Radio Free Europe. Included on that drafting committee were (possibly among others) Lloyd Berkner,[6] Cyril Black,[7] Tom Braden,[8] C. D. Jackson, . . . , and W. W. Rostow. Mr. Allen Dulles participated for a portion of the evening session, at which drafting was done. A draft was presented and criticized at a morning meeting on May 12 and further revised. The third draft produced by this meeting is attached as Appendix 3.

2. The papers and draft done at Princeton went both to the government through Mr. Dulles and Mr. Bohlen, and, I believe, to General Eisenhower. There was some talk that the Princeton draft might be included in a high-level speech during the Truman administration; but nothing came of it.

3. Perhaps for the record it should be stated that on leaving the group, on Saturday, May 12, Mr. Grew said that he somehow felt the meeting at Princeton had been "historic." Looking back, there is some case for his view.

May 12, 1952–March 4, 1953

4. During the campaign there were further discussions about the issues raised at the Princeton meeting, and concerning the future of psychological warfare in general, between General Eisenhower and his staff. The San Francisco speech of General Eisenhower on ————[9] related to these discussions. (This section must be filled in by Mr. Jackson, with appropriate appendixes.)

5. In the months after May, Mr. Jackson was taken up with other matters, including the Eisenhower campaign, and Mr.

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[5]Joseph C. Grew, Ambassador to Japan, 1931–1941; Under Secretary of State, December 1944–August 1945; member of the Board of Directors of the National Committee for a Free Europe.

[6]Lloyd V. Berkner, President and Chairman of the Executive Committee of Associated Universities, Inc. of New York; research associate in geophysics of the atmosphere at the Carnegie Institution of Washington.

[7]Cyril E. Black, Associate Professor of History at Princeton University (Professor from 1954).

[8]Thomas W. Braden, Assistant to the Deputy Director of the Central Intelligence Agency, 1951–1954; from 1954, editor of the *Blade Tribune* of Oceanside, California.

[9]The date is left blank in the source text; presumably the reference is to a campaign address in early October 1952.

Rostow was completing the Vulnerability Project. Mr. Rostow corresponded with Mr. Jackson a few times, had lunch with him in November, shortly after the election, calling to his attention the CENIS report (completed August 1952), and its possible relation to the new administration's program of political warfare.

6. That report called for a fresh enunciation of American interests and objectives at the highest level, and sought to define them. On December 29, 1952, Mr. Rostow wrote Mr. Jackson the attached letter on an appropriate response to the Stalin replies to the Reston questions,[10] published on Christmas day, 1952. Mr. Jackson replied in letters of December 31 and January 5; and Mr. Rostow replied on January 12. This sequence of letters, which in many ways forecast our shared response to the opportunities offered by Stalin's death, are included as Appendix 4. It is to be particularly noted that Mr. Jackson had clearly in mind the central role of high-level diplomacy as an instrument in political warfare.

7. In the week before Stalin died, Mr. Rostow had arranged that Mr. Millikan[11] and he call on Mr. Jackson on the afternoon of March 11, to discuss the future relations between CENIS and the various agencies of the government; and we were, at this time, arranging that CENIS make its contribution to the W. Jackson Committee.

8. *The Week of March 4–12.*

Early on Wednesday morning, March 4, Mr. Millikan received a telephone call from Mr. Robert Amory of the CIA asking that CENIS prepare an intelligence appreciation of the situation created by Stalin's grave illness, which had just been announced. In particular, four questions were to be answered:

1. Is Stalin dead?
2. What are the likely dispositions of Soviet power?
3. What are the likely changes in external policy, if any?
4. What are the likely relations of the new regime to Mao?

Mr. Millikan, Mr. Hatch, Mr. Bator, Mr. Cross,[12] and Mr. Rostow, at CENIS, discussed these questions from 10 AM to shortly before noon. A draft was prepared by Mr. Rostow and revised by all. It was dispatched to Washington by courier Wednesday night.

9. It was unanimously decided in CENIS that we would not only submit an intelligence appreciation but also a statement of the key vulnerability created by Stalin's death and suggestions for prompt

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[10]See footnote 2, Document 556. Rostow's letter is not printed.

[11]Max F. Millikan, Professor of Economics and Director of the Center for International Studies at the Massachusetts Institute of Technology from 1952; on leave during 1951 and 1952 to serve as Assistant Director of the Central Intelligence Agency.

[12]Hatch, Bator, and Cross are not further identified.

American action to exploit that vulnerability. In general the suggestion consisted in the opening of a political warfare offensive of the kind envisaged in the Vulnerability Report, spearheaded by an American initiated meeting of the major powers, to be offered by the President. It was also decided that, in view of the work we had done at taxpayers' expense for a year and a half on this problem, that we had a duty to call our suggestion to the attention of Mr. C. D. Jackson. The operational suggestion was abstracted from the general intelligence appreciation and was sent to Mr. Jackson, also on Wednesday night. We informed Mr. Amory by telephone of our having done this on our own initiative. Both CENIS messages are attached as Appendix 5.

10. On Thursday, March 5, at about 3 PM, Mr. Jackson called Mr. Rostow. He indicated that he had received both the communication to him and the full appreciation sent to the CIA. He indicated that he, too, felt that now was the time to open a general political warfare offensive; and he requested that Mr. Rostow come to Washington, arriving, if possible, at about 3 o'clock on the afternoon of March 6.

11. Mr. Rostow arrived at Mr. Jackson's office about 3:15 on March 6. He was informed:

(a) that Mr. Charles Wilson of General Electric had recently suggested to the President that he initiate a peace move, or meeting.[13] Mr. J. F. Dulles' reaction to this suggestion was not unfavorable, although coming during the period of Stalin's illness, Mr. Dulles noted that conditions had changed;

(b) that the NSC had issued a directive instructing the CIA to prepare an intelligence appreciation of the position created by Stalin's death by Monday, March 9; that the State Department indicated its appreciation and suggestions for action; and Mr. C. D. Jackson produced a plan to exploit Stalin's death, also by Monday, March 9.

Mr. Jackson indicated that he had a small staff, headed by Mr. George Morgan of the PSB, helping him on the general follow-up exploitation of Stalin's death. The Staff was drawn as a group of individuals from various parts of the government and was already at work on Friday, March 6. It was generally understood that outside help would be used by Mr. Jackson and Mr. Rostow's presence in Washington was known to this group.

12. Mr. Jackson asked Mr. Rostow what he had to add to the message sent from Cambridge. Mr. Rostow replied that he had a reasonably clear idea as to what the President ought to say and had some suggestions as to how an initial move might be exploited.

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[13]See Document 542.

Mr. Jackson instructed Mr. Rostow to produce three drafts: a Presidential statement; a rationale for that statement; and any suggestions that he might have for a follow-up plan.

13. Mr. Jackson then departed for a scheduled discussion of these matters, which included Mr. Nitze and Mr. Bohlen of the Department of State and Mr. Emmett Hughes of the White House staff.[14]

14. Mr. Rostow was installed by 3:45 PM on March 6 in room 242½ at the Old State Department Building and equipped with an excellent secretary, Mrs. Bridges. At about 11:30 PM, drafts were finished for all three items requested by Mr. Jackson. Mrs. Bridges typed for several further hours the dictated portion of the suggestions for the follow-up plan and arranged that these be available to Mr. Jackson from 8 AM on the morning of Saturday March 7.

15. On Saturday March 7 Mr. Jackson arrived and went through these three documents. He called in Mr. Emmett Hughes to read them. They found themselves in general accord with the Presidential statement and the case for it. The text of the three documents drafted by Mr. Rostow on the afternoon and evening of March 6 are attached as Appendix 6.

16. It was then decided by Mr. Hughes and Mr. Jackson that, with one exception (Morgan), the Presidential draft would be shown to no one until Monday. The reasons for this were the absence from town of certain key figures, notably Mr. John Foster Dulles, and the danger that might arise if the draft were put through the conventional bureaucratic machinery for clearance: dangers both of security and dilution. Mr. Rostow hazarded the view that if the President were to act in this matter promptly, he would have to take the decision on his own, in a rather lonely manner.

17. The three sets of papers were, however, shown to Mr. George Morgan on the afternoon of Saturday March 7 by Mr. Jackson. Mr. Morgan was told that he should assume, in the paper he and the staff were preparing, that the opening gun in the political warfare campaign would be a Presidential statement of some sort; and this was all that he was to tell his own working staff and to include in their paper. On a personal basis, however, he was shown the Presidential draft. Mr. Rostow had lunch with Mr. Morgan and gave him the third paper; that is, notes for the follow-up plan. Mr. Rostow indicated that these were meant to be simply notes for the use of Mr. Morgan's staff and that he had no desire to peddle them elsewhere. Mr. Morgan noted, however, that Mr. Rostow had felt free to include diplomacy fully in the follow-up plan, whereas his terms of reference largely excluded diplomatic policy. For that

[14]No record has been found of this meeting.

reason he urged that the draft be "shown to others" by Mr. Rostow.

18. On Monday March 9 it became evident that there would be opposition to the Presidential statement from the Department of State. Mr. Jackson had described the meeting on March 6 to Mr. Rostow as having gone round and round in circles, but having emerged with agreement on this point: that only a proposal for a four-power conference would give adequate substance to a Presidential act at this time. And it had then appeared not impossible that Mr. Nitze and Mr. Bohlen would go along with Mr. Hughes and Mr. Jackson. Nevertheless, Bohlen and Nitze raised important objections on Monday afternoon, when the draft of the Presidential statement and the rationale for it were shown to them by Mr. Hughes.[15]

19. The major business for Mr. Jackson on March 9 was to cope with a long paper prepared by Mr. Morgan and his special team. (Appendix 7) This outlined a great many psychological warfare actions as follow-up for the Presidential statement. This paper was circulated on Monday to all the relevant agencies in the government represented on the PSB. In view of the length of the document and the fact that it was under review in the government, it was agreed that an extremely brief NSC directive should be drafted in the following sense: urging that a Presidential statement be given; creating a special *ad hoc* committee to oversee the execution of the follow-up plan; and attaching the Morgan draft plus the comments made upon it, for the *ad hoc* committee to consider as part of its working materials. Mr. Rostow drafted such a directive. (Appendix 8)

20. On Monday March 9 it was also decided that the issue would come to a decision on Wednesday, March 11, at an NSC meeting, Mr. Dulles being out of town until the late afternoon of March 10.

21. On Tuesday March 10 a letter from Mr. Bohlen arrived stating formally the objections of the Department of State up to the level of Under Secretary. This letter explicitly excluded Mr. Dulles, who was still in New York. (Appendix 9)

22. At Mr. Jackson's request, after extensive discussion, Mr. Rostow prepared for verbal presentation at the NSC by Mr. Jackson a brief on each of the objections raised. A copy of that brief is attached as Appendix 10.

23. In order to meet the State Department's view that the President's proposal would be a dangerous shock to our allies, it was proposed that Mr. Jackson prepare letters from the President to Mr. Churchill and Mr. Mayer to be sent two days before the

[15]No record has been found of this meeting.

speech, one day before the text was made available. Drafts of these letters, prepared by Mr. Rostow, are included as Appendix 11.

24. On Monday March 9 (but perhaps also on Friday March 6) Mr. Rostow had suggested to Mr. Jackson that he talk forthwith to Mr. George Kennan. Mr. Rostow heard Mr. Kennan's views on the night of Thursday March 5 at the home of Mr. M. F. Millikan in Cambridge, and was impressed with the fact that they converged with those developed at CENIS and were sharply different from the views popularly attributed to Mr. Kennan as the author, if not the architect, of containment. Mr. Jackson immediately asked Mr. Kennan to come from his farm in Pennsylvania to Washington. Mr. Kennan saw Mr. Jackson for about an hour and a half between 2:30 and 4 o'clock on the afternoon of Tuesday, March 10. Mr. Rostow was present only for the period from about 3:15 to 4 o'clock. Mr. Kennan agreed that the kind of initiative suggested was the right course for the United States at this moment in history. He approved the draft statement in general, suggesting that it might be usefully nit-picked for detail by some of the old hands in the State Department.

He indicated his view, now several years old, that the United States must positively support efforts to unify Germany and the continent; to create effective security measures there; and to engineer Russian and American military withdrawal, leaving behind a militarily safe, predominantly democratic and unified area. Mr. Kennan warned Mr. Jackson that taking this initiative required great clarity concerning its implications for Germany on the part of two men: the President and the Secretary of State. If this condition were fulfilled, there was no need to worry excessively about other opinions in Washington or about the short period of excitement in the foreign offices of Great Britain, France, and Bonn. Mr. Kennan expressed his faith that Washington would respond with great vigor and unity to the initiative, as it had to the Marshall Plan proposal; and that our allies would come along without much difficulty. Both Mr. Jackson and Mr. Rostow were moved by the combination of dignity, force, and eloquence with which Mr. Kennan presented his views, at a time when he obviously felt acutely his enforced divorce from events, as well as a profound desire to be useful to the country in these days when an understanding of Russia was as important as it had ever been before in our history. At one point Mr. Kennan explained that the initiative proposed by Mr. Jackson was designed to reverse the direction in which the wheel of diplomacy had been spinning for some years in Washington, and, taking him by the arms, said, "You have the weight of the world on your shoulders. Good luck." It should be noted that Mr. Jackson raised with Mr. Dulles the following day,

March 11, the future of Mr. Kennan, and was told that it was his (Mr. Dulles') understanding that Mr. Kennan had tendered his resignation and that the matter was in the hands of Mr. Bedell Smith. Mr. Dulles' assistant later reported that the Secretary was loath to bring Mr. Kennan into the Department for fear of Congressional reaction.

25. Late on the night of March 10, Mr. Rostow was called to the office of Mr. Jackson to read over a letter Mr. Jackson had drafted to Mr. Dulles. The Secretary of State had arrived in town at about 4 o'clock on March 10 and had been met, according to rumor, by an excited group of his colleagues. Mr. Dulles had already asked to see Mr. Jackson at breakfast at 7:45 on Wednesday, March 11. Mr. Jackson's letter to Mr. Dulles is attached as Appendix 12.

26. On Wednesday, March 11, Mr. Rostow saw Mr. Jackson at about 8:30 AM, after his breakfast with Mr. Dulles. Mr. Jackson reported that Mr. Dulles had found the idea "intriguing," but had several reservations which he would have to think over before the 10:30 meeting of the National Security Council.

27. Mr. Rostow saw Mr. Jackson again as he emerged from the NSC meeting at about 12:30 PM. Mr. Jackson announced that he did not know whether he was a man "carrying a shield or being carried upon it." He reported that

(a) he had had his full day in court;

(b) the President, remembering his experience with previous four-power meetings, was not enthusiastic about the Council of Foreign Ministers;

(c) Mr. Dulles took the position that our relations with France and Britain would be damaged by a unilateral initiative of this kind; that the governments of de Gasperi, Adenauer and Mayer would fall in a week; and that EDC would be postponed, if not destroyed. It was, nevertheless, agreed that a Presidential statement should be made and made soon, and that the bulk of the text as drafted was suitable.

Further, Mr. Stassen wished to see introduced into the speech a reference to the Marshall Plan and a recognition of the possibilities of drawing the East back towards the West, by economic means.

28. It may be recorded for history that the Secretary of Defense said at one point: "I agree with Mr. Jackson; don't give the bastards anything but hope."

29. It was further decided that the references to Korea would be expanded and a truce in Korea would be made even more clearly a condition for further movement towards the larger objectives of peace than the original draft had provided. Mr. Jackson was instructed to prepare a new text in the sense of the meeting.

30. While Mr. Jackson was at lunch on Wednesday, March 11, Mr. Rostow redrafted the message as instructed by Mr. Jackson. This draft as modified by Mr. Jackson after discussion is included as Appendix 13. The essential device was to hold up a vision of the specific long-range objectives of American diplomacy but to make the negotiations designed to achieve that vision contingent upon a prior Korean settlement.

31. Two tail pieces were added to the new draft, since it was envisaged that the President might deliver this statement either on television, to the American people, or to the UN Assembly on Thursday, March 19. These were drafted by Mr. Rostow, revised by Mr. Jackson (Appendix 14).

32. On Thursday, March 12, Mr. Jackson went to a luncheon meeting of the PSB. He found a warm welcome, appreciation for his effort of the previous day, and unanimity concerning the new draft. Mr. Bedell Smith, on his own initiative, said he would try to persuade Mr. Dulles to accept it.

33. On the afternoon of Thursday, March 12, Mr. Jackson drafted a letter to Mr. Dulles requesting definitive assurance that his conception of political warfare included a positive and even central role for the Department of State, calling to his attention the likelihood of a four-power meeting being forced upon the United States in the coming months, even if the proposed speech did not offer it. This letter is attached as Appendix 15.

34. Mr. Rostow returned to Cambridge on the night of March 12.

Post-March 12

35. Although I lack knowledge of the next stage in the process which led to the speech, I believe that the opening of the Soviet diplomatic peace offensive by Malenkov in his speech before the Supreme Soviet on March 16 [*15*][16] resulted in a postponement of the speech as planned on Thursday, March 12. For the record it should be noted that Mr. Jackson and Mr. Rostow urged a prompt American initiative not only to exploit the psychological possibilities available immediately after Stalin's death but with an awareness that the new Soviet regime might seize the peace initiative.

36. Drafts 3, 4, 5, 6, 7, and 8 of the speech are attached as Appendix 16. Mr. Jackson must fill in the history of these drafts. Mr. Rostow saw only draft (I believe) 4, with pencilled notations by Mr. Dulles, which he recalls as being much further from the content and spirit of the original two drafts than the speech presented by the President on April 16. This stirred up the attached Rostow–Jackson letter of April 1 (Appendix 17). And, on still another

[16]Regarding Malenkov's address of Mar. 15, see footnote 2, Document 569.

Washington trip, Mr. Rostow saw Draft 7, which was much improved, and on the basis of which Mr. Rostow wrote the letter on April 8 (Appendix 18).

It is essential to an understanding of the conflict over this speech within the government that the relation of Mr. Jackson's initiative to EDC and Western European unity be distinguished from the view held generally in the Department of State (excepting Kennan and certain others). Both the Department of State and Mr. Jackson felt that a negotiation with the Soviet Union should take place, if at all possible, on the basis of EDC having been accomplished. In the Department of State, however, there was a deep unwillingness to contemplate such a negotiation unless it was forced upon us. In any case, it was felt in the Department that the United States should continue to use its influence directly—along familiar diplomatic lines—to bring about the completion of the EDC arrangement, as first priority, and to fend off as long as possible any four-power negotiation. It was Mr. Jackson's view that the chance of achieving EDC in the near future would be maximized if the United States were to take an initiative in the four-power negotiation and, within that framework, seek to induce our allies to go into the negotiation with the EDC arrangement behind us. It was feared by Mr. Jackson that, if the United States tried to evade a negotiation, that very fact would increase the difficulty of achieving EDC in the near future. Behind Mr. Jackson's position lay the following appreciation: that the unwillingness of many Germans to see EDC through hinged on their judgment that the United States had no serious interest in German unity, and that a negotiation with the USSR was an alternative to EDC; and, similarly, that the unwillingness of many Frenchmen to see EDC through hinged on their judgment that the United States has no serious conception of a long-run German (and continental) settlement; that the United States might, therefore, step by step, turn continental hegemony over to the Germans; and that a negotiation with the USSR was an alternative to German rearmament, or might at least postpone it. Mr. Jackson's appreciation was not that a negotiation was likely to succeed, but, rather, that it might unite the Free World around a position which would make EDC a necessary and logical step—not negatively to oppose the USSR—but positively to move towards a European settlement which would meet underlying American, German, French and other interests. At no point did the representatives of the Department of State appreciate this view or argue it; rather, they felt Mr. Jackson's initiative to be, simply, an uninformed gesture which failed to understand the key importance of EDC.

It was the fear of Mr. Jackson and Mr. Rostow that, without such a prompt U.S. initiative, that would bind up our support for EDC with a longer perspective on a European settlement, in any case EDC would be postponed until our allies had a chance to test the new Soviet regime's intentions.

Mr. Jackson's view on this matter was no new thing: the basic issues involved had been raised and fully discussed at the Princeton meeting of May 1952, and Mr. Jackson had obviously considered the problem posed by German and French attitudes to U.S. diplomatic objectives at an earlier time. Mr. Rostow's similar view was also of considerable vintage, stemming back to 1946, but articulated fully in the CENIS Soviet Vulnerability Report.

W. W. ROSTOW

No. 595

Editorial Note

Prime Minister Churchill delivered a major foreign policy address to the House of Commons on May 11. The Embassy in the United Kingdom characterized the address as comparable in significance to President Eisenhower's address on April 16. (Telegram 6003 from London, May 8; 741.00/5–853) Churchill discussed the situation in Korea, Southeast Asia, the Middle East, and Europe; recalled his relations with the Soviet Union during the war; and proposed a meeting at the highest level of the leading world powers. For full text of his speech, see *H.C. Debs.*, 5th series, volume 515, columns 883–898; for the Embassy's comments on the address, see telegram 6041, volume VI, Part 1, page 985.

On May 20, President Eisenhower transmitted to the Acting Secretary of State a memorandum suggesting exploration of the possibility of his meeting with Churchill and French Prime Minister René Mayer in the near future in order to demonstrate the essential friendship among their three countries regardless of appearances in the press. (711.11 EI/5–2053) Exchanges of communications at the end of May finally led to a proposed meeting of the Heads of State at Bermuda in June. For further documentation on the Bermuda Conference, see volume V, Part 2, pages 1710 ff.

No. 596

Editorial Note

Ambassador Bohlen, accompanied by Counselor of Embassy McSweeney, called on Soviet Foreign Minister Molotov on the afternoon of May 12 for the first business call of his ambassadorship. During this call Bohlen first expressed the appreciation of the United States Government for the assistance and facilities rendered by the Soviet Government to a group of United States civilian internees allowed to travel across the Soviet Union following their release by the People's Republic of China. Then, acting with the specific authorization of the Department of State, Ambassador Bohlen explained to Molotov that one of his first duties as Ambassador was the protection of the interests and rights of American citizens, and he raised with Molotov the following cases:

1. Request for the release and repatriation of Noel;
2. Request for permission for Mrs. Balashova and her children to travel to the United States;
3. Granting of exit visas to the Soviet wives of American citizens;
4. Soviet intervention on behalf of the release from imprisonment in Czechoslovakia of the American newsman William Oatis.

The details of all these cases were well known to the Soviet authorities and had previously been the subject of many Embassy representations. Bohlen chose not to raise with Molotov the cases of American soldiers Knight and Michalowski who had fallen into the custody of Soviet forces in East Germany. Ambassador Bohlen's presentation was received by Molotov with politeness but no commitments were made and there were no indications of subsequent decisions by the Soviet Government. During Bohlen's call, which he reported upon in telegram 1582, May 12, Molotov raised no subjects of his own. (Microfilm telegram files, "Moscow incoming FY 53")

On the morning of May 13, Ambassador Bohlen told correspondents in Moscow that his visit with Molotov had dealt exclusively with "certain subjects pending between the US and USSR." The newsmen agreed to adhere to such a simple description of the meeting. (Telegram 1584, May 13; 611.61/5–1353) At the daily Department of State press briefing on May 13, the Department Press Officer was subjected to great pressure from newsmen inquiring about the Bohlen–Molotov conversation, and they were told that the question of Soviet wives of American citizens was one of the subjects discussed. (Telegram 834 to Moscow, May 14; 611.61/5–1353)

On May 15, William Oatis was released by Czechoslovak authorities; see Documents 30 ff. The American soldiers Knight and Mi-

chalowski were released to United States Army custody on May 19. During June and July 1953, exit permits were granted by Soviet authorities to several Soviet wives of American citizens and their children.

No. 597

641.61/5-2353: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State[1]

TOP SECRET PRIORITY MOSCOW, May 23, 1953—5 p.m.

1623. British Ambassador[2] accompanied Wilson on his call on Molotov Thursday (Embtel 1603, repeated London 210[3]) and has given me in strict confidence following account of interview.

In agreement with Wilson Ambassador stressed the unofficial nature of his visit to Soviet Union to which Molotov said that that was the understanding of Soviet Government. Wilson then endeavored to ascertain Soviet reaction to the chief outstanding political questions but was unable to obtain from Molotov anything but noncommittal answers or standard Soviet positions. Wilson told Molotov Churchill's speech[4] had solid bipartisan support in Great Britain and inquired what the reaction of Soviet Government had been to it. Molotov merely stated that the Soviet Government "and people" had found it very interesting.

On Germany Molotov said that fidelity to past agreements would greatly facilitate solutions. He gave no particular reaction to Wilson's questions on Austria, Korea or the Far East in general except when Wilson mentioned that there were some people who felt that Soviet Union controlled and had even instigated Communist offensive in Laos. Molotov immediately stated that there were many people who believed "crazy things".

With the exception of a reference to Labor Party views that politicians rather than generals should be conducting the Korean negotiations and that many British do not agree with US Chinese policy (to which Molotov in neither case made any reply whatsoever). In general Wilson, according to Ambassador, handled himself well in the interview.

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[1]Repeated for information to London.
[2]Sir Alvary Gascoigne.
[3]Not printed. (441.61/5-1853)
[4]See Document 595.

Wilson had a five-hour dinner with Mikoyan from which nothing in particular emerged except that Mikoyan repeated in almost identical words the Soviet opposition to the release of the one Soviet wife living at British Embassy.

Ambassador told me that his government is particularly anxious that no publicity should be given to any connection between the Sanders' case[5] and Wilson's visit to Hungary. But Embassy here believes that before very long Sanders will be released, possibly as result of Wilson's discussions. Although the Ambassador faithfully carried out the instructions received to assist Wilson in every way here, he is not pleased with practice of "unofficial" visitors coming to Moscow and discussing current matters with Soviet Government as Wilson has done.

I hope the foregoing information will be kept confidential and its source carefully protected.

BOHLEN

[5]Edgar Sanders, a British citizen arrested in 1949 in Hungary for alleged sabotage and espionage. Tried, convicted, and sentenced to imprisonment in February 1950, Sanders was finally released and returned to the United Kingdom in August 1953. Telegram 999 from Budapest, May 24, reported that Wilson visited Budapest on May 22 to urge Sanders' release. (641.64/5–2453)

No. 598

761.00/6–453: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State

TOP SECRET Moscow, June 4, 1953—1 p.m.

1671. Soviet citizen early yesterday evening entered living section of Embassy. Having entered Zook's[1] apartment, insisted on seeing Ambassador. In response request for assistance by occupant Apartment 2, Embassy officers McSweeney and Garvey[2] went there, made it quite clear to visitor he was on Embassy property, that Embassy acted only in accordance with usual understanding functions diplomatic mission. He insisted again on seeing Ambassador. In order most expeditiously accomplish his departure, Embassy officers listened his story which included his Jewish background, service in Military Investigation Branch during war, employment with Office of Procurator in Krasnodar Krai and Tula Gunworks, detention for trial for violating government regulations regarding

[1]Benjamin M. Zook, translator at the Embassy in the Soviet Union.
[2]James A. Garvey, Second Secretary of the Embassy.

travel allowances and release after two months in accordance recent general amnesty. He stated that he knew where there were many other people who felt as he did in universities, government institutions, et cetera, and when repeatedly informed that the American Embassy was not interested in this sort of thing, he only asked for the Embassy's "blessing". He appeared in highly nervous state and kept refusing to leave premises. Embassy officers therefore concerned with arranging for his departure from Embassy as soon as possible without any incident which might reflect upon Embassy. As in other cases he asked to be taken from Embassy in Embassy car. Embassy officers reminded him he had been told at beginning Embassy could accept no responsibility for him to which he agreed. Eventually after about four hours, he left Embassy on his own.

At time of his departure it was noted extra plain-clothes men were stationed around Embassy building including group in automobile at curb next to Embassy entrance.

Department will note great similarity between this incident and that which occurred approximately a year ago when Ambassador Kennan was here. Both bear strong indication of agent provocateur activity.

These cases present great difficulty in handling since while avoiding any grounds for implicating this Embassy, we would not wish on the outside chance that the individual is operating on his own to request of Foreign Office that militia guarding Embassy come in and arrest him or to expel him by force from the Embassy with the resulting scandal. These considerations account for length of time necessary before the officers of the Embassy who saw this man were able to persuade him to leave the premises.

Assuming that this was provocation, it is difficult to see exactly what the Soviet authorities had in mind at this time other than a straight police operation either to test out the Embassy and whether I would see him or to have a record in the MVD files in event of some future desire to implicate the Embassy in illegal activity.[3]

This incident is known only to those directly involved and the senior officers and will be held in complete secrecy.

BOHLEN

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[3]Telegram 1687 from Moscow, June 5, reported that a Soviet security police officer had called at the Embassy regarding a "crazy" individual missing from his family and possibly seen lurking around the Embassy. Embassy officials described in general terms the incident related here, and the Soviet police officer departed "seemingly satisfied". (761.00/6–553)

No. 599

INR-NIE files

National Intelligence Estimate[1]

TOP SECRET
NIE-65

WASHINGTON, June 16, 1953.

SOVIET BLOC CAPABILITIES THROUGH 1957

THE PROBLEM

To analyze the principal factors affecting Soviet Bloc capabilities and to estimate the probable development of those capabilities, through 1957.

ASSUMPTION

That there will not be general war within the period of this estimate.

CONCLUSIONS

1. Developments within the USSR resulting from the change in leadership may ultimately affect Soviet Bloc capabilities, but so far the economic and military bases of Soviet power are believed not to have been affected by Stalin's death. This estimate, therefore, is based on the trends within the Soviet Bloc since 1945, and does not attempt to estimate whether, or to what extent, these trends may be affected by changes within the ruling group.[2]

2. The rate of growth of the Soviet economy will almost certainly remain higher than that of the US or any other major Western state. However, the output of the USSR will remain much lower

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[1]Regarding National Intelligence Estimates (NIEs), see footnote 2, Document 491. According to a note on the cover sheet of this NIE, the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the CIA in the preparation of this estimate. The note further indicates the IAC concurred in this estimate on June 9.

[2]The Special Assistant, Intelligence, Department of State, the Assistant Chief of Staff, G-2, Intelligence, Department of the Army, and the Deputy Director for Intelligence, The Joint Staff, believe that this sentence should be replaced with the following:

It is impossible as yet to estimate with confidence whether or not a prolonged struggle for power among the new leaders will develop during the period 1953–1957. We believe, however, that if such a struggle for power should develop, it would be confined to the higher echelons of the Soviet Communist Party and Government and would probably not precipitate open conflict within or between the armed forces and security police, or involve the Soviet population. We estimate, therefore, that the stability of the regime in the USSR is unlikely to be jeopardized by differences that may develop among the Soviet leaders. [Footnote in the source text.]

than that of the US, and the output of the entire Bloc will remain much lower than that of the NATO states.

3. Bloc scientific and technical capabilities will continue to increase throughout the period of this estimate. However, the scientific assets (the number and quality of trained personnel, facilities, equipment, and financial support) of the US will remain greater than those of the USSR, and the assets of the West as a whole will remain far greater than those of the Bloc.

4. By mid-1957, the USSR may have a stockpile of from 335 to 1,000 atomic weapons (30–100 kiloton yield).[3] We have no evidence that *thermonuclear* weapons are being developed by the USSR. Soviet research, development, and even field testing of thermonuclear reactions based on the disclosures of Fuchs may take place by mid-1953. However, it is very unlikely that the USSR could test a full scale thermonuclear device based on these disclosures before mid-1954. There is also a possibility that Soviet field tests based on independent research and development along other and advanced approaches to the thermonuclear weapons problem might occur by mid-1954. Testing of advanced models might be possible earlier if US developments were known through espionage or other compromise.

. . . . . .

6. We estimate that the size of Bloc forces-in-being will not increase substantially by 1957. The emphasis in the program for increasing Bloc military strength will continue to be placed upon modernizing the armed forces and upon enlarging the atomic stockpile.

7. We estimate that the Bloc now has the capability to undertake[4] concurrent large-scale operations in continental Europe, the Middle East, and mainland Asia. The Bloc could reinforce with Chinese Communist and Soviet forces the Communist forces now in Korea, and at the same time undertake[4] an invasion of Japan by Soviet forces.

8. The USSR now has the capability to undertake[4] concurrent air operations against the US, the UK, continental Europe, the Middle East, Japan, and the offshore island chain of Asia. However, operations against the US would be much more difficult than those against the other areas. The USSR has the capability to reach all parts of the US and to attempt the delivery of its full

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[3]The estimates beyond mid-1955 are tentative projections of the estimates for the earlier years. [Footnote in the source text.]

[4]No estimate of the success of these operations can be made without considering the effects of the actions of opposing forces. [Footnote in the source text.]

stockpile of atomic weapons. However, even a stripped-down TU–4 could reach only the extreme northwestern corner on two-way missions without aerial refueling. Even with aerial refueling and other range extension techniques,[5] attack upon the strategic northeastern industrial area and upon most of the principal strategic bases almost certainly would involve the expenditure of the attacking aircraft and most of the crews on one-way missions. Until it has a heavy bomber available for operational use, the USSR will not have the capability to reach most of the strategically important areas in the US on two-way missions. A heavy bomber based upon a type which has been seen in flight may begin production and may be available for operational use within the period of this estimate.[6]

9. We estimate that the Bloc has the capability of providing vigorous opposition against air attacks on critical targets in the interior of the USSR, under conditions of good visibility. Under clear moonlit night conditions, Bloc defense capabilities are fair against piston bombers and negligible against jet bombers. Under conditions of poor visibility, day or night, Bloc interception capabilities are negligible.

10. Currently known trends point to an increase of Bloc air defense capabilities during the period of this estimate. However, it is impossible to estimate the extent of significance of any increase, because the future development of airborne intercept (AI) equipment and of guided missiles is obscure; in any case, such an estimate would require knowledge of the characteristics of attacking aircraft through the period of this estimate.[7]

11. Bloc naval forces (except for ocean-going submarines, and new cruisers and destroyers) as now constituted are designed to protect Bloc coastal areas and seaward flanks of ground campaigns. We believe that, as new construction with improved characteristics

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[5]We believe that the USSR has the capability to utilize range extension techniques, but we have no evidence that any of these techniques have been exploited. [Footnote in the source text.]

[6]For more detailed information, see SE–36, "Soviet Capabilities for Attack on the US through Mid-1955" (5 March 1953). [Footnote in the source text. For text of SE–36, see Document 552.]

[7]The Director of Naval Intelligence believes that this paragraph should read as follows:

We believe the Bloc will continue its present emphasis on air defense, and that its capabilities in this respect will increase during the period of this estimate. Operational use of improved early warning and ground intercept radar, and the extensive employment of airborne intercept equipment will contribute to this increase. The development and production of all-weather jet fighters and guided missiles, which are within Bloc capabilities, would further improve Bloc air defense. However, we cannot estimate the significance of these improvements relative to future air offensive capabilities. [Footnote in the source text.]

becomes operational, emphasis will be laid on the creation of striking forces which could operate within the limits of the range of land-based air support. Bloc minelaying capability is extensive, and in the event of war, could seriously interfere with Allied sea communications in Europe and the Far East, or with Western naval operations in waters adjacent to the USSR. The Soviet submarine force will increase its capability to undertake offensive patrols and mining operations along most of the world's strategically vital sea lanes, and possibly, if the specialized craft have been developed, simultaneously to launch guided missile attacks against targets on both the Atlantic and Pacific seaboards of the US.[8] The Soviet Navy will have no long-range amphibious capabilities within the period of this estimate, but it will remain capable of mounting short-range amphibious operations in considerable force.

12. The principal sources of strength upon which Bloc political warfare capabilities are based will remain Bloc military power, which generates fear and defeatism, and the Bloc's size, strategic position, economic power and potential, and centralized direction. Other sources of Bloc political warfare strength are the highly organized Communist international movement, and the leadership and discipline of the individual Communist Parties; Communist ideas and doctrine, which influence many non-Communists as well as Communists; and the accumulated experience and professional skill of Soviet intelligence, propaganda, and subversive organizations and of Soviet use of front organizations. Finally, the fixity of Communist purpose to impose Communism on the world and the unified direction of Communist action give the Communists a tactical political warfare advantage in determining the nature, direction, and intensity of courses of action to be used against the non-Communist world.

13. It is difficult to estimate how Bloc political warfare capabilities will develop, since they depend to a large degree not only upon the situation within the USSR but also upon the success with which the non-Communist world meets the challenges to its stability which would exist even if there were no Communist threat. It is also difficult to estimate the development of Bloc political warfare capabilities because they are dependent not only on the relative attractive power of Communist and non-Communist ideas, but on the relative military strength of the Bloc and the West. If Western military strength should increase, relative to that of the Bloc, Bloc political warfare capabilities would probably decline. On the other

[8] We believe the USSR capable of adapting submarines to this use, but we have no evidence to indicate that such modifications have been made. [Footnote in the source text.]

hand, fear of war and consequent vulnerability to Bloc political warfare would probably increase in the non-Communist world, if the Bloc's capability to deliver atomic weapons should increase relative to Western defenses, and if the Bloc should improve its air defenses relative to Western offensive capabilities.[9]

14. We believe that during the period of this estimate Communist capabilities to establish Communist governments by political warfare techniques will be most likely to increase in Southeast Asia and the Middle East. These capabilities will probably remain greatest in Iran and Indochina.

15. In other areas of the world, Communist capabilities to influence the attitudes of non-Communist governments and peoples will constitute the principal danger posed by Bloc political warfare. The Communists may be able to undermine support for Western programs of defense and for increased political and economic unity, and they may be able to heighten tensions among the members of the Western coalition. For these purposes, they can exploit national differences between the Western Powers, economic and trade difficulties, nationalism in colonial and dependent areas, and dread of war.

[Here follow 12 of the 16 pages of the source text presenting a detailed discussion of the points made above.]

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[9]The Director of Naval Intelligence believes this paragraph should read as follows in order to render the military hypothesis more realistic and inclusive:

It is difficult to estimate how Bloc political warfare capabilities will develop, since they depend to a large degree upon the situation within the USSR, the success with which the non-Communist world meets the challenges to its stability which would exist even if there were no Communist threat, and the relative military strengths of the Bloc and the West. Thus, Bloc political warfare capabilities will increase if the non-Communist world fails to solve adequately the problems of economic stability, national rivalries, common defense, and aspirations for independence in the colonial areas. If Western military strength and cohesion should increase substantially relative to that of the Bloc, Bloc political warfare capabilities would probably be checked, and might decline in some areas. On the other hand, if the over-all military strength of the Bloc should substantially increase relative to that of the West, Bloc political warfare capabilities would rise, particularly with respect to the promotion of appeasement, apathy, and the fear of war. [Footnote in the source text.]

No. 600

661.00/7-753: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State[1]

TOP SECRET Moscow, July 7, 1953—10 p.m.

36. In view of fact that I will be absent for several weeks from Soviet Union[2] and forthcoming tripartite Foreign Ministers meetings, I feel it appropriate to set forth certain conclusions concerning significant developments in Soviet Union since Stalin's death without waiting as had been my original intention for outcome of Korean armistice talks. The events on which these conclusions are based have been reported as they occurred with appropriate comment from this mission. It is wise and, indeed, essential to exercise the utmost prudence and skepticism concerning significance Soviet moves since Stalin's death. I believe that we can no longer without detriment to our purposes continue to dismiss the present phase of Soviet policy both internal and external as simply another "peace campaign" designed solely or even primarily to bemuse and divide the West. The events that have occurred here cumulatively add up, in my opinion, to something considerably more important, offering on the one hand more opportunities and on the other considerably more dangers than the standard propaganda gestures which we have seen since the end of the war.

I am impelled, in part, in this telegram by Deptel 16[3] which while directed primarily to satellite countries nonetheless in second paragraph contains estimate of present Soviet actions which I feel does not realistically accord with full scope events since Stalin's death. In order to avoid misinterpretation it is necessary to repeat certain fundamental premises:

1. The Soviet Union remains a totalitarian police dictatorship, reinforced by a highly integrated ideology and consequently basically continues to regard all countries and organizations which it does not control as basically hostile and no change in this respect can be anticipated as long as basic structure of Soviet society remains unaltered.

2. Stemming from above, Soviet policy naturally will always hope for disruption of any association or alliance inevitably regarded by them as hostile. It has, however, not been characteristic of Soviet policy and in my opinion still is not, to adopt measures which

[1]This telegram is quoted at length in Bohlen, *Witness to History*, pp. 352-353.

[2]Regarding the considerations involved in Ambassador Bohlen's decision to go ahead with his vacation in France, see *ibid.*, pp. 354-355.

[3]Not printed.

affect their internal power structure merely for the sake of some maneuver designed to confuse their enemies.

While events set in motion by Stalin's death in regard to the Soviet Union proper and its relations with satellite areas have by no means run their course, I believe there is sufficient evidence to warrant as reasonable assumptions the following considerations: (These, of course, should be viewed in the light of the constant possibility that future events either internal or external could radically affect their future validity.)

(1) Fear of general war—even before the death of Stalin there was evidence that the Soviet Government was becoming genuinely concerned as the prospect that the intensity of the cold war resulting from their attitude and actions in postwar world was leading to a situation where events could take over with the consequent automatic progression towards general war which I believe at all times the Soviet Union has been most anxious to avoid. Subsequent events since his death have confirmed view that this was the central purpose in the political field of Stalin's *Bolshevik* article with its assertion that contradictions between capitalist states were *de facto* stronger than the contradiction between the Soviet and non-Soviet world. The logic of this position would appear to have dictated a return to diplomacy as a means of furthering Soviet interest and averting the progression towards war.

(2) The death of Stalin, requiring an important if not yet basic reorganization of the direction of the Soviet Union, offered an opportunity to put this policy into operation as something new with the employment of methods impossible under Stalin's one-man dictatorship.

(3) Although evidence is insufficient to justify a firm conclusion on this point, it is possible that the economic strain of the multiple burden of great armament expenditures, capital investment and inflated public works programs plus the political necessity of making some concession to the material well-being of the people may be a factor.

(4) The problem following Stalin's death of retaining without the possibility of recourse to Stalin's methods of rule, the hold over the Eastern European satellites and the increasing complexity of relations with Communist China presented the new leadership with the almost definite necessity of some shift in policy in these fields.

Internal measures—While we simply do not know what forms of combinations or rivalries are transpiring in the upper reaches of the Soviet Government, I can only report that the principle of collective leadership as against one-man rule has been consistently and steadily developed in this country since Stalin's death. It has

been driven home not only in the central press and given ideological underpinnings in the theoretical party journals but also has been disseminated in depth according to our information in factory and party meetings throughout the country. It would be a folly to attempt to predict that this experiment in impersonal collective leadership will last indefinitely and we can never dismiss the possibility of dissension at top level or some other event which might radically change the current line. It can only be stated now as a matter of opinion that if there is a radical reversal of present tendency back to the state of arbitrary terror characteristic of Stalin's rule, this would come as a shock to the population of this country and would impose severe strains on the system. The present lines on which new leadership is operating internally have become sufficiently clear to be identified and they all seem to point in the direction of a less rigorous and more "liberal" regime in Soviet terms of reference. They are:

(a) Primary emphasis on the necessity of improving the standard of living of the population as the chief "duty" of the party and government (a point which has been stressed in recent developments in East Germany and Hungary).
(b) Legality in the sense of less arbitrary exercise of police power and more respect for the right of the individual citizens.
(c) Emphasis on the nationality policy of respect for the internal and other national attributes of minorities in this country and their denunciation of the policy of Russification.
(d) As an essential accompaniment the skillful but nonetheless consistent destruction of the myth of Stalin's infallibility and his relegation as a junior member of the Communist Valhalla with obviously carefully considered selection of what part of his policies or programs can be retained and what discarded.

In its foreign relations most evidence to date would indicate that the Soviet Government desires a return to diplomacy and a lessening of world tension for an indefinite period of time. It is too soon to say in what substantive fields they would be prepared to make concessions or abandon their previous hold over areas such as Eastern Germany, Austria, etc., in Europe. It looks, however, from here as though the series of moves that it has made—such as the note to Turkey, exchange of Ambassadors with Austria and Yugoslavia—are primarily designed to jettison the more senseless and unproductive positions in which Stalin had placed them and as preparation for some serious diplomatic action in the coming period. The most important events which have occurred in the field of Soviet action as against words would appear to be in Eastern Germany and to a considerably lesser degree in the satellite area. The new policy announced in early June for Eastern Germany which so far as we can ascertain from here has not been reversed by the events in Berlin

on June 17,[4] I do not believe can be solely dismissed as a "tactical" maneuver designed to influence West Germany opinion. They would appear to have been motivated as previously reported by recognition of bankruptcy of policy of forced draft Sovietization of Eastern Germany and possibly likewise to place Soviet Government in a better political position for serious discussions on German unification. There is no need to argue the point that the Soviet objective remains the prevention of German rearmament and incorporation into European defense system. But as distinct from previous efforts in this direction which were confined to propaganda and threats the present developments would appear to forecast a more serious political and diplomatic effort to achieve this objective.

The foregoing current analysis attempts only to hit the high points as I do not wish to overburden this message by unnecessary details or supporting evidence. My chief purpose in this message is to emphasize my belief that events behind iron curtain and especially here, are running in our favor and primary task at present is maintenance Western unity and confidence in US leadership. I can, however, if Department desires, supplement and elaborate foregoing from Paris if necessary.[5]

BOHLEN

[4]For information on the events in East Germany, see vol. VII, Part 2, pp. 1584 ff.
[5]See Document 602.

No. 601

INR–NIE files

Special Estimate[1]

TOP SECRET
SE–46

WASHINGTON, July 8, 1953.

PROBABLE LONG TERM DEVELOPMENT OF THE SOVIET BLOC AND WESTERN POWER POSITIONS

THE PROBLEM

To estimate the probable relative development of the Soviet Bloc and Western Power positions over the next fifteen years, with a

[1]Regarding Special Estimates, see footnote 1, Document 552.
According to a note on the cover sheet of this SE, the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the CIA in the preparation of this estimate. The note further

Continued

view to estimating whether or not time is on our side in the East-West conflict.

ASSUMPTIONS

1. No general war.

2. Continuation of the present general trend of policies of both the Bloc and the Western Powers.[2]

ESTIMATE

3. We believe it essential to state at the outset that there is no unequivocal answer to the question "is time on our side." Even assuming a "continuation of the present general trend of policies of both the Bloc and the Western Powers" (itself an assumption of doubtful validity), there are so many accidental or unpredictable factors which will materially affect the world situation as to prevent any firm estimate of the relative Soviet Bloc and Western Power positions fifteen years from now. Moreover on the side of the anti-Communist countries, taking the NATO and so-called neutralist powers together, there are so many divergent trends that it is difficult to speak of a consistent trend of policy. Even within NATO itself, the chief unifying force lies in the agreement of the members to resist aggression against any one of them. However, it is possible to appraise in general terms our likely power position vis-à-vis the Bloc if present trends continue and if various major alternative developments do or do not come to pass. Moreover, by examining the impact of some of these alternatives, we can at least establish certain significant factors which might alter present trends.

Probable Economic Growth of Soviet Bloc and the West

4. *The Soviet Bloc.* At the present the over-all economic strength of the Soviet Bloc is far less than that of the Western Powers; in terms of gross national product (GNP), the 1952 output of the entire Bloc is estimated to have been about one-third that of the Western states.[3] However, assuming a continuation of present policies and programs, the economic strength of the Soviet Bloc will increase greatly over the next 10–15 years. For some years the rate of growth of the Soviet economy will almost certainly remain higher than that of any major Western state. However, the past

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records that the Intelligence Advisory Committee concurred in this estimate on July 3.

[2]The Western Powers are taken to include the US and its allies. [Footnote in the source text.]

[3]For the purpose of these economic projections, the Western Powers include the US, the European NATO countries, West Germany, Canada, Australia, and Japan. [Footnote in the source text.]

rapid rate of growth, which we estimate averaged 7–8 percent in 1948–1952, is already leveling off and the annual rate toward the end of the period is unlikely to exceed 3–4 percent. Even so, total Soviet GNP will probably almost double within the next fifteen years, while Bloc GNP as a whole will increase around 75 percent.

5. Bloc economic capabilities to wage war are likely to increase substantially since the Bloc will probably continue to place great emphasis on the development of heavy industry, and in particular on military production. Bloc self-sufficiency, already great, will probably become more nearly complete.

6. These projections may be invalidated by other factors. A prolonged struggle for power or internal dissension in the Soviet Bloc might dissipate Soviet energies. A relaxation in the forced pace of heavy industrial development would probably reduce the rate of increase in Bloc capabilities to wage a major war. The difficulty of rapidly increasing the industrial labor force in the USSR and the probable lag in agriculture production may prove more serious limiting factors on general economic growth than we now estimate. On the other hand, the application of known scientific developments to Bloc agriculture, though this would require large-scale investments, would permit greater increases in Bloc agricultural production and the release of agricultural labor for other uses.

7. *The West.* It is more difficult to estimate the probable economic growth of the Western Powers. The freer and less closely integrated Western economies, particularly those of the major US allies, are more vulnerable to economic fluctuations and trends in international trade than are those of the Bloc. Much will depend upon the ability of the Western Powers to establish a pattern of production and of international trade and payments which will provide such countries as the UK, Germany, and Japan with adequate markets, and in general will permit a steady economic growth, US resources and policies will be of critical importance in this field. However, assuming a continuation of present trends and no serious depressions, we estimate the probable growth in US GNP at about 56 percent over the next fifteen years, and at almost 50 percent for the Western Powers as a whole.

8. However, the Western Powers will continue to face much greater difficulties than the Soviet Bloc in allocating and directing their resources toward cold war objectives and peacetime preparations for hot war. Their ability (and desire) to impose peacetime sacrifices will be less, and the problems of agreeing on common objectives and devising effective policies among nations of different and sometimes divergent interests will remain difficult to overcome.

9. While Bloc GNP will probably increase at a higher rate than that of the Western Powers and the ratio of Western superiority will therefore decrease, the GNP of the West is already so much greater than that of the Bloc that the absolute gap between the two will widen despite the lower rate of Western growth.[4] Thus the West will remain for the indefinite future greatly superior to the Soviet Bloc in total economic strength.

10. However, certain factors decrease the significance of over-all economic growth and resources as a factor in the world power balance. The ability of the totalitarian Soviet Bloc to devote a high percentage of its resources both to the cold war and to peacetime military preparation will probably remain greater than that of the West. Moreover, for reasons stated in paragraphs 13–18 the continuing economic superiority of the West, although important, may not be the ruling factor in determining whether time is on our side.

Probable Scientific Capabilities of the West and the Soviet Bloc

11. The over-all scientific assets of the West (numbers and quality of trained personnel, facilities, and equipment) are now far greater than those of the Soviet Bloc, and almost certainly will remain greater over the next fifteen years. However, the USSR is expending great efforts to reduce this disparity, and is likely to narrow the gap between it and the West, even though the Western Powers probably will produce more basic scientific advances, and will continue, in general, to be better able to translate prototypes into quantity production of high quality. Moreover, the Bloc may concentrate excessively on the solution of short-term military and economic problems, thus narrowing the range of fundamental research and diminishing the probability of basic scientific advances.

12. It is impossible to estimate whether the power relationships between the Soviet Bloc and the West will be changed during the period of this estimate by any major technological breakthrough by either side, such, for example, as the initial production of the atomic bomb by the US in 1945.

Probable Trends in the Military Capabilities of the West and the Soviet Bloc

13. We believe that throughout the next fifteen years the West will maintain a substantial absolute advantage in capabilities for atomic warfare, but that the Bloc will gradually reduce this advantage. Within the period of this estimate both US and USSR will

[4]To project these trends to 1975, Bloc GNP is estimated to increase on the order of 125 percent while Western GNP increases only 70 percent, thus altering the ratio to roughly 2:1 in favor of the West. On the other hand, the actual disparity in favor of the West will become even greater, from around $360 billion in 1952 to some $500 billion by 1975. [Footnote in the source text.]

produce a sufficient stockpile of atomic and possibly thermonuclear weapons to cripple the other side, if delivered on targets.[5] The US, if it has not already acquired this number of weapons, will do so before the USSR does.

14. Assuming a continuation of present general trends of policies of both the Bloc and the Western Powers, it is likely that within the period of this estimate the West and USSR will each have the means of delivery with which to cripple the other, unless developments in defensive weapons and techniques permit a substantial improvement over present defensive capabilities. At that point the world will have entered a period in which both of the great power blocs have the capacity to cripple the other, though only at equally grave risk of crippling blows in return. Unless it attained complete strategic surprise or achieved an unforeseen technological breakthrough, we believe that neither side would be able to prevent powerful retaliation in kind. In the absence of general war, however, the ruthlessness of the Soviet rulers and the fear which they inspire among many Western peoples may enable them to use the possession of atomic capabilities as an instrument of pressure in the cold war.

15. The US is losing, if it has not already lost, its longstanding invulnerability to crippling attack, and with it the immense strategic advantage of being able to conduct the traditionally deliberate and extensive post-D-Day mobilization. We cannot estimate the time at which the USSR will attain the capability to cripple US war-making capacity, but it is probably well within the period of this estimate. At that time, despite probable US retention of a sizable margin of technological superiority and superior atomic offensive capabilities, this continued disparity will become much less significant, at least in regard to bombardment of strategic targets.

16. On the other hand, the continuing superiority of the West over the Bloc in atomic capabilities will nevertheless represent a considerable advantage, because of developing tactical uses of atomic weapons. It is likely that the West will, during the period of this estimate, remain superior to the Soviet Bloc in capabilities for tactical use of atomic weapons, whether in general or in local war.

17. The development of Bloc and Western Power positions during the next fifteen years will be significantly affected by their relative conventional military capabilities, with or without the accompanying use of atomic weapons. Bloc military forces are being continuously modernized and strengthened, and will continue to pose a se-

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[5]For the purpose of this estimate "to cripple" means to destroy quickly a very large proportion of the resources required by the other side to wage continuing general war. [Footnote in the source text.]

rious threat to areas around the Bloc periphery. The West will probably remain superior to the Bloc in quality of weapons, in the application of technology to military uses, and in its ability to control the seas. The West will increase substantially its relative power position if it can develop local military capabilities in key areas around the Bloc periphery and can maintain forces-in-being capable of quick dispatch to such areas in case of emergency.

18. Moreover, attainment of the capability to defend Western Europe and Japan against Soviet attack would significantly improve the power position of the West. The resources of these areas, their geographical location, and their considerable technological potential, contribute substantially to Western strength. The extent to which the West will attain the capability of defending these areas will depend on Western and other policy decisions. Much will also depend, in this connection, on the degree of progress which is made in regard to the rearmament and anti-Soviet orientation of West Germany and Japan.

Probable Trends in the Political and Social Strength and Cohesion of the Soviet Bloc and the West

19. *Probable Trends in the Soviet Bloc.* Political and social trends will have an important, and perhaps controlling effect on the relative power positions of the Bloc and the West and are most difficult to estimate over so long a period as the next fifteen years. During this period it is possible that a struggle for control within the Kremlin might cause a retraction and decay of Soviet power. Whether such developments will take place or at what extent they would begin to have a material effect on the power position of the Soviet Bloc cannot be estimated at this time. At present, however, we see no indications that the economic and military bases of Soviet power have been affected by Stalin's death.

20. In any case we believe it unsafe to assume that over the next 10–15 years the Soviet regime will lose its stability or the Bloc its cohesion. While the more flexible policies of the post-Stalin regime and the modest relaxation of tight Soviet controls may permit periodic overt manifestations of discontent behind the Iron Curtain, over the long run these very policies may also tend to lengthen the Kremlin's lease on power. The possibility exists that Communist China may attempt to play an increasingly independent role. Should this potential weakness develop into a break between the two chief Communist states, it would be a major loss to Soviet power.

21. *Trends in the Political and Social Strength and Cohesion of the West.* Because of the greater diversity of the looser Western coalition and the variety of forces at play within it, we find it even

more difficult to project probable trends in Western strength and cohesion as they affect the global balance of power. However, at no time in the foreseeable future will the Western Powers be likely to attain or to desire to attain the centralized control to mobilize their resources characteristic of the totalitarian Soviet Bloc. In general, they will probably continue to be more subject to internal conflicts, economic fluctuations, and divisive influences than the Bloc. Much will depend on international economic developments, on future Soviet policy, on the future position of major nations like Germany, Japan, and India and, above all, on the role played by the acknowledged leader of the Western coalition, the US itself.

22. As the only single aggregation of resources outside the US itself comparable to the Soviet Bloc, Western Europe plays a major role in the world power balance. Its continued weaknesses, such as dependence on US aid, lack of a sense of urgency regarding the Communist threat, disputes between France and Germany, and French and Italian instability, constitute a major vulnerability of the Western Powers, while Western Europe's acquisition by the Bloc would be a tremendous increment to Soviet power. The reappearance of a strong and viable Western Europe, including Germany, would substantially decrease Western vulnerability and alter the present power relationship between the Soviet Bloc and the West to the advantage of the latter.

23. On the other hand, we see many obstacles to the achievement of this objective. We believe that a primary concern of the Kremlin over the coming period will be to frustrate the development of a viable and defensible Western Europe. In this effort the Kremlin will almost certainly concentrate on the key to the European situation, the German problem. If a shift in Soviet policy on Germany, for example, led the Germans to accept a united, armed and neutral Germany, it would introduce a new factor of great significance into the world power balance. Such a development, if accepted by our NATO allies, would not necessarily weaken the Western position. A rearmed and neutral Germany would act as a buffer state, and if the Germans were subsequently to abandon neutrality, we believe that they would be more likely to align themselves with the West than with the Bloc.

24. The emergence of a rearmed, anti-Communist Japan would be a major asset in restoring the strategic balance in the Far East. However, the degree of future Japanese cooperation with the US will depend largely on the extent to which the Western alignment not only meets Japan's needs for security and foreign markets, but also satisfies its expectations for economic and military aid and for treatment as an equal.

25. *Probable Trends in the Strength and Alignment of "Gray" Areas.* A major difficulty facing the West is represented by the extreme political and social instability of the underdeveloped areas of the Middle and Far East and Africa, where profound social changes are in progress, entailing in many areas disorder and consequent vulnerability to Communist influences. The anti-Western overtones of this political and social revolution create an additional obstacle to the utilization by the West of the resources of these regions. The consequent danger to the Western position is acute in some areas of Southeast Asia and the Middle East. None of these areas is likely to develop into an important center of power during the period of this estimate, but their loss would nevertheless be a serious blow to the West. For example, the loss of Indochina, which is possible, would probably result in eventual loss of most of mainland Southeast Asia. This in turn would lead to worsened prospects for stability in the Indian subcontinent, and to greatly increased difficulties in maintaining the pro-Western orientation of Japan. A Communist takeover in Iran, which is also possible, would jeopardize the already unstable Western position in the Middle East.

26. On the other hand, the trend toward greater instability and vulnerability to Communist influence in the underdeveloped areas is not irreversible. Western control of influence is still paramount in these areas. Over the next 10–15 years the US and its allies still have the opportunity to undertake actions which might arrest this trend and maintain that influence.

27. *Possible Effects of a Kremlin Shift to Soft Tactics.* We believe that a prolonged Kremlin shift to more moderate tactics would also present a real challenge to further growth in the military strength and the cohesion of Western Powers. To date the US has succeeded in creating and partially rearming a defensive coalition under the impetus of an acute Soviet threat. Should this threat appear to diminish, it will be difficult to maintain the support of Western peoples for continued rearmament, close integration of national policies, and vigorous anti-Communist efforts. The likelihood of divisions among the Western Powers, especially if encouraged by skillful Kremlin action, would markedly increase. It might lead, over the longer run, to some of our allies adopting more neutral positions, or even to the creation of a European "Third Force." On the other hand, a decrease of cold war tensions might allow many Western countries to concentrate on domestic needs and to devote more resources to meeting their own economic and social problems. It is possible, however, that a rearmament slow-down would instead lead to unemployment of manpower and resources.

28. A prolonged relaxation of tensions might also have an adverse effect on the cohesion and vitality of the world Communist

apparatus and hence on the Soviet power position. Soviet leaders are under some compulsion to pursue an aggressive policy in order to preserve the Communist ideology as a vital force. Any pronounced subduing of the irreconcilable hostility motif might serve to soften the rank-and-file of foreign Communist parties, and to breed restlessness in countries under Kremlin control. Moreover, without keeping active the concept of permanent conflict between Communists and non-Communists, Moscow might have difficulty in maintaining voluntary adherence of "socialist states" (e.g., Communist China and Viet Minh) and their willingness to undertake direct action in the interest of the USSR.

Is Time on Our Side?

29. We believe that the Soviet Bloc under present policies and programs will over the next 10–15 years decrease the proportion by which its economic and technological capabilities are inferior to those of the West and will acquire sufficient atomic capabilities to cripple the US. Therefore, although the West will probably retain a sizable absolute margin of superiority, we believe that in these respects time must be said to be on the Soviet side.

30. In other respects, time may be on the side of the West. The West's military capabilities will increase during the next fifteen years if conventional rearmament programs and tactical applications of unconventional weapons enhance its present defensive capabilities in overseas areas. The extent to which these developments are likely to occur depends on Western and other policy decisions.

31. Trends can be identified within both the West and the Bloc which might undermine each side's political stability and cohesion. We cannot predict, however, that these trends will have such effects and certainly we cannot say that they would do so within the period of this estimate.

a. Trends now seem to be running against the West in the underdeveloped areas. If these trends cannot be arrested, the consequent growth of instability and Communist influence in these areas may eventually have serious effects on the economic stability and pro-Western orientation of Western Europe and Japan.

b. While there is no reason at this time to predict the Bloc's decay or collapse, the possibility exists of certain changes adverse to its present strength and stability. Internal rigidity may deprive the USSR of that flexibility and vitality which contribute to a political system's survival and growth. Alternatively, the Kremlin may decide to modify and relax its previous policies, only to find that this relaxation adversely affects continuing Soviet economic growth, Satellite stability, and Sino-Soviet cohesion. It would be unsafe, however, to assume that the problems which are inherent in the Soviet system will of themselves have reached critical pro-

portions within the next fifteen years. Unless they do, the totalitarian nature of the Soviet system and the Kremlin's pervasive control or influence over its Bloc partners will continue to provide it with many advantages over the less cohesive coalition led by the US.

32. Even under the assumption of "continuation of the present general trend of policies in both the Bloc and the Western Powers," there are so many accidental or unpredictable factors which could alter present trends, that we are unable to conclude that time is on the side of either the Soviet Bloc or the West. Though a few of the components of power can be projected with fair confidence, the relative overall development of the power positions of the West and Soviet Bloc cannot be predicted.

No. 602

661.00/7-953: Telegram

The Ambassador to the Soviet Union (Bohlen) to the Department of State[1]

TOP SECRET PARIS, July 9, 1953—7 p. m.

133. What I had in mind in statement referred to Department's 100[2] was that standard propaganda gestures of peace campaigns since the war exposed themselves before they had done any basic damage to Western unity and purposes, whereas recent events affecting the foreign field might forecast serious diplomatic effort on the part of Soviets to settle some outstanding questions, such as Austria and Germany, and normalization of relations with other countries while leaving intact the basic structure of Soviet Union with all its possibilities for concealing increasing military potential. Such a course of action by the Soviet Government, if it materialized, would result in making more difficult the holding together of Western alliance and maintenance leadership of the United States. If such a course of action was accompanied by serious efforts in the field of trade, judging from present indications, many European and other non-Soviet nations of the world would be inclined to neglect essential elements of national defense. In the Russian field, I believe, it has generally been felt that more flexible techniques by Soviet Government in foreign relations could, without sacrificing essential Soviet power position be more dangerous in long run than

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[1]Transmitted via the facilities of the Embassy in Paris. Ambassador Bohlen arrived in Paris on July 8 with his family on holiday.

[2]Telegram 100 requested an elaboration of the last sentence of Document 600.

rigid, aggressive technique of Stalin regime which had since the end of the war driven home the Soviet menace to the free world. The statement in question was in the foregoing context and would not be valid if internal and satellite events since Stalin's death lead to a radical alteration in basic structure Soviet state and its control over satellites, which it is still much too soon to predict. The danger I had in mind, of course, could be very much mitigated if the current Soviet policy was met by unity, skillful diplomacy and calmness by the three Western powers. I have dealt only with the statements referred to, but likewise would elaborate on any other part of Moscow's 36.[3]

[3]Document 600.

No. 603

Editorial Note

At a meeting on the morning of July 10, the Cabinet, presided over by President Eisenhower and including Nixon, Dulles, Humphrey, Wilson, Allen Dulles, and others, considered the situation in Russia. The minutes of the Cabinet meeting record the discussion as follows:

"Mr. Allen Dulles characterized the ousting of Beria as a tremendous shock to the Russian people, suggested that the army may be augmenting its power, and advised that this development does not necessarily mean that Malenkov has consolidated his position.

"(Mr. Allen Dulles left the meeting after this discussion.)

"Mr. C. D. Jackson spoke briefly on the great opportunity presented by the Beria affair for developing passive resistance in the satellite states and on the desirability of presenting the Russian Government with a series of notes concerning food, atrocities, trade unions, and slave labor. He hoped that the Foreign Ministers meeting would produce a resounding statement for German free elections." (Eisenhower Library, Whitman file, Cabinet series)

No. 604

761.00/7-1053: Telegram

The Ambassador to the Soviet Union (Bohlen) to the Department of State[1]

TOP SECRET PARIS, July 10, 1953—6 p. m.

150. In attempting to assess the political significance of the announcement of Beria's arrest, I believe it important to recognize that Beria's arrest in all probability, if not certainty, occurred on June 27 or immediately prior thereto.[2] The rumor in Moscow of his disgrace was as reported linked to his absence at the opera on the night of June 27 coupled with the sight of tanks proceeding to the center of the town at approximately 5 p.m. that day. Since, in general, rumors affecting top Soviet personnel follow and do not precede the event, I believe we can accept the fact that his arrest occurred some 12 days prior to its announcement. I would therefore suggest that the actions taken by the Soviet Government since June 27 in the political field, in particular the announcement of the new policy in Hungary, made on July 4, should be carefully examined before arriving at any hard and fast conclusion that Beria was the proponent of the line of relaxation. I can only state on this score that I have not seen any evidence since my arrival in Moscow to confirm this view.

While there is no evidence to the contrary, in the logic of things it is at least questionable whether the head of the secret police by the nature of his responsibility would be in favor of relaxation with all of its obvious consequences.

In my opinion the point to watch with particular attention is the extent and depth of the purge throughout the Soviet Union which may follow the arrest of Beria. A large scale purge of the type which would certainly have followed during Stalin's time an event of this importance would require a reversal of internal and external policies pursued by the new direction since the death of Stalin. I believe that until this element in that situation clarifies that it is not possible to assess the full political significance of his arrest.

I expect to be in Paris for at least 3 or 4 more days and am telling the press that there is no change in my plans, but will of course await Department's instructions.

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[1]Repeated for information to Moscow. Bohlen was in France on holiday.

[2]For a personal recollection of the development of his view on the fall of Beriya, see Bohlen, *Witness to History*, pp. 354-355.

No. 605

Eisenhower Library, Dulles papers

Record of Telephone Conversation Between the Secretary of State and the Director of Central Intelligence (Dulles), Washington, July 10, 1953, 12:40 p. m.[1]

1. The Secretary phoned his brother and asked how he came out with McCarthy? Allen Dulles read him a ticker, which was McCarthy's version of the bout. He said it was something of a draw, he wasn't making any statement, and it would be resumed on Tuesday. He said McCarthy was in an ugly mood having been slapped down pretty hard yesterday, but Mundt was helpful, Potter mum, and Dirksen absent. The general tenor of McCarthy's statement was that CIA was neither sacrosanct nor immune from investigation.

2. The Secretary said that on the Russian thing his views, and those of the Department were at variance with those expressed at Cabinet by Allen and C. D. Jackson.[2] We think it presages a tougher policy and return to Stalinism. The Secretary said he had gone back to his bible (Problems of Leninism) and quoted extensively from it to prove his point. Allen did not think that there comparable men to replace those executed in these days, and felt that the army must have been with Malenkov. Also he thought, based on the theater party, that this had been decided about 10 days ago and there were new evidences of softness since then, the reforms in Hungary and Czechoslovakia, which sort of upset State's theory.

Jackson had made the statement that we should not accept an armistice at this time. The Secretary said that Beetle and the staff feel it is less likely that we will get one, that there is a likelihood that there will be more nationalistic policy which make our chances recede rather than advance. Allen thought armies were always more cautious than politicians, and they might want an armistice. It is his theory that it would be an awful gamble but that an armistice would remove one of the pressures—and he would like to stall for a couple of weeks, Orientals are good at that. If there is a serious breakdown it might pay off. The Secretary could not see how Korea offers us any chances right now. Allen said that he had a new cable in on the German situation which he would have Emory show to MacArthur, it predicts that the workers are planning another blowup there. The Secretary mentioned his decision

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[1]Prepared by Burnita O'Day, personal secretary to Secretary Dulles.

[2]See Document 603. The "Russian thing" presumably refers to the announced downfall of Beriya.

on Bohlen,[3] he said he was embarrassed by his being in Paris on vacation after actually predicting that this might happen, it would appear that he knew nothing about it.

[3]Earlier in the afternoon (at 12:10 p. m.) Secretary Dulles called Senator William Knowland of California. The record of the conversation reads as follows:

"The Secretary telephoned the Senator and said in view of the Russian development he would like to have Bohlen come to Washington for the Foreign Ministers' meetings. He had actually cabled us that this was likely to happen, and since he is fresh from the spot it would be useful. Would it have any adverse political possibilities on the Hill? Knowland did not think so, but thought as an antidote we ought to bring in Radford or Ridgway too."

"The Secretary also spoke to the Vice President about this—who agreed with Knowland's judgment and offered the idea of planting the story that Bohlen had predicted this, in several places, to build Bohlen up and prove that it was a good appointment. The Secretary said we were doing so but to go ahead too." (Eisenhower Library, Dulles papers)

This same record also indicates that Assistant Secretary Merchant was instructed to telephone Bohlen in Paris.

Bohlen's recollection of his conversations with Washington at this time and the request that he return for consultation is described in Bohlen, *Witness to History*, pp. 355–356. This recollection, not confirmed by any documentation in Department of State files, includes a late evening conversation between Bohlen and the Secretary at the latter's home.

No. 606

700.00(S)/7-1653: Circular telegram

The Secretary of State to Certain Diplomatic Missions in Europe[1]

TOP SECRET WASHINGTON, July 16, 1953—1 a.m.

Infotel. US representative on North Atlantic Council has reported to Council on US-UK-French Foreign Ministers talks[2] along following lines: Re USSR and satellites there was general agreement that while too early to determine exact significance Beria purge, it may mean tougher nationalistic Soviet line; recent softer internal Soviet line very possibly caused by pressure of public opinion within USSR as well as in satellites especially eastern Germany and Hungary; peace offensive destined as offensive weapon against West has boomeranged against Soviets at home; while situation still unclear, major events obviously taking place and at rhythm unprecedentedly rapid in communist world; basic policies of West have been successful, particularly in preventing consolidation Soviet world, and should be pursued without faltering; at same time tactical flexibility in application our policies should be pre-

[1]Prepared in EUR and sent to Brussels, Copenhagen, The Hague, Lisbon, Oslo, Ankara, Athens, and Reykjavik.

[2]The U.S., British, and French Foreign Ministers met in Washington, July 10–14.

served to take advantage of developments in USSR; West should support and develop hopes of satellite peoples for eventual freedom while avoiding inciting open revolt. Agreed on necessity reaffirm publicly and vigorously policy their governments in support European unification and EDC in particular. Ministers considered danger inherent in holding four-power talks with USSR before establishment EDC but felt proposal such talks might help Adenauer in German elections and also assist EDC ratification in France. US and UK Foreign Ministers stressed that EDC would remain firm in policy their governments and that four-power talks would not be permitted reopen question of EDC. (Additional information contained in Wireless Bulletin July 14.)

DULLES

No. 607

761.00/8–1053: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State[1]

CONFIDENTIAL Moscow, August 10, 1953—7 p. m.

188. Malenkov's speech before Supreme Soviet[2] is certainly the most important and realistic statement of current Soviet policy since Stalin's death, especially on internal affairs and should be studied most carefully by research and analysis sections US Government. It contains considerably more statistical material and realism on future internal economic and agricultural policy than has appeared for some years. Before adding Embassy's interpretive comments to this speech I would like to mention certain personal impressions of recent session Supreme Soviet as affecting top leadership.

It was apparent from all proceedings at Supreme Soviet and attitude of his associates that Malenkov is unquestionably dominant figure in present Soviet leadership. In addition Malenkov is by far the best Soviet orator that any foreigner present in Moscow can recall. He is extremely clear and forceful speaker and creates impression of great realism and self-confidence. Malenkov's speech and measures adopted by Supreme Soviet make it clear that Beria removal has not brought about a reversal in any major policy lines that have been emerging since Stalin's death.

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[1]Repeated for information to Paris, London, and Bonn.

[2]For extensive extracts from this address, delivered on Aug. 8, see *Documents* (R.I.I.A.) for 1953, pp. 22–33.

As to speech itself, section on internal economic policy is in Embassy's opinion more interesting than that devoted to foreign affairs. It is apparent that present leadership and particularly Malenkov himself is in considerably closer touch with Soviet economic reality than in time of Stalin. His account of economic situation, deficiencies and requirements was sober and factual. It is especially significant that it lays down a new emphasis for Soviet economic development. As is well known and as Malenkov himself said, Soviet Government has, since end NEP, concentrated its attention on expansion heavy industry and largely neglected consumers' goods supply. Now Malenkov says USSR is able to and intends to devote great efforts to production and distribution consumers' goods. Heavy industry will not be neglected but Malenkov deeply committed Soviet Government to devote an increased portion its economic effort to light industry and to bring about in next two to three years radical increase in supply consumers' goods. Moreover, it is clear that government is also adopting fiscal policies and issuing directives which will provide other increased advantages, e.g., housing and hospitals to people of this country.

As an important adjunct to this plan for improving low living standards, Soviet Government is making a shift in its attitude towards peasantry. Since collectivization drive first began over 20 years ago government's efforts have been unceasingly directed toward increasing, improving and encouraging collective sector of agriculture and toward reducing and discouraging private sector. Now Malenkov says private sector will be assisted and encouraged. Although Soviet Government has no intention of changing its basic collectivization policy, past ability of private agriculture to survive even in face of official hostility makes conceivable that line announced by Malenkov may have far reaching effects in countryside and involve regime in future difficulties with the peasantry. The reduction in agricultural taxes on private sector adopted by Supreme Soviet which is published in detail today in press will be analyzed and reported by despatch.

In section on foreign affairs, aside from implied claim on hydrogen bomb, Malenkov followed with somewhat different emphasis line which has been developing since Stalin's death. While attacks on US somewhat sharper, this had been forecast by Soviet press in recent weeks. Malenkov seemed primarily to be expressing chronic fear of dictatorship against any appearance weakness before foreign pressure together with standard Soviet line that threats et cetera, do not work against Soviets. He was obviously attempting to paint picture of international scene in which all countries except US are interested in reducing international tension while US is solely interested in "cold war". In this he was shrewd enough to

pick out incidents such as chess players and statements which lend themselves to this interpretation. While maintaining Soviet adherence to principles of settlement of disputes by negotiation, including those at issue between USA and Soviet Union, Malenkov avoided any specific mention of Four-Power conference and merely stated that "negotiations between the great powers could of course play a considerable role. Naturally the appropriate premises must be created for this". The brevity and vagueness of Malenkov's remarks on this portion increases Embassy's belief that USSR not particularly eager for highly publicized conference at this time but seems to favor other forms diplomatic negotiation. Reference to China's right to UN seat has become obligatory gesture to China in present Soviet statements but on Germany Malenkov was somewhat more specific in his flat opposition to German rearmament and his attempt to establish identity Soviet-French interests on this point. In passing over relations with UK with one brief phrase Malenkov may be attempting to contrast unfavorably present British policy with that expressed by Churchill in May.[3]

In general, with exception noted, Malenkov's speech in foreign section as well represents continuance and emphasis main line of Soviet policy since Stalin's death which tend to bear out view that these changes stem from sources deeper than simple maneuver or even function of palace intrigues.[4]

BOHLEN

[3]Reference is presumably to Churchill's foreign policy address to the House of Commons on May 11; see Document 595.

[4]Secretary Dulles offered his own extensive analysis of Malenkov's address during his press and radio news conference on Aug. 12; for text of the statement, see Department of State *Bulletin*, Aug. 24, 1953, p. 236.

No. 608

601.6111/8-1453

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Under Secretary of State (Smith)[1]

CONFIDENTIAL [WASHINGTON,] August 14, 1953.

Subject: Relaxation of United States Travel Controls on Soviet Personnel

[1]Drafted by Stoessel (EE); approved by Thurston and Bonbright (EUR); and concurred in by RA, BNA, WE, P, and SCA. The source text bears Smith's notation: "OK".

Discussion:

Several of the NATO countries, notably the United Kingdom and France, believe that their travel controls on Soviet representatives should be relaxed in response to the modification of travel controls in the USSR. We have opposed such relaxation pending experience with the new Soviet regulations, as well as on the grounds that controls in NATO countries are still much less onerous than those prevailing in the USSR.

The British Embassy has recently advised us that the United Kingdom believes it must make some relaxation of British controls over Soviet personnel due to public pressure. The French propose to relax their control regardless of what other NATO countries do.

Travel opportunities for our personnel at Moscow have actually increased considerably as a result of the new Soviet travel regulations. This, plus our desire to maintain NATO unity regarding travel controls, leads us to feel that we should now relax our controls to the extent of granting blanket permission Soviet representatives in Washington to travel to Chesapeake Bay without prior notification. While such permission was granted last year, it was refused this year as a means of pressuring the Soviets into granting improved facilities to our personnel at Moscow.

A telegram[2] was sent to Moscow asking if the Embassy perceived objection to granting blanket permission to travel to the Chesapeake Bay. Ambassador Bohlen has replied[3] that he sees no objection.

Recommendation:

Approve granting blanket permission for Soviet personnel to travel to the Chesapeake Bay.

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[2]Telegram 98 to Moscow, Aug. 12, not printed. (601.6111/8-1253)
[3]Telegram 202 to Moscow, Aug. 13, not printed. (601.6111/8-1353)

No. 609

Editorial Note

On September 11, Under Secretary Walter Bedell Smith called in Soviet Ambassador Zarubin and presented to him an *aide-mémoire*, dated September 11, on the question of the Soviet lend-lease settlement negotiations and particularly the failure of the Soviet Government to return lend-lease vessels to the United States. Under Secretary Smith urged a prompt reply. For a brief review of the substance of the meeting, see the statement issued to the press by

the Department of State on September 11, in Department of State *Bulletin*, September 21, 1953, page 391.

On October 20, Ambassador Zarubin addressed a note to Secretary Dulles expressing the willingness of the Soviet Government to discuss technical arrangements for the transfer of 186 naval craft obtained by the Soviet Union under the Lend-Lease Agreement of June 11, 1942. Further exchanges of notes on November 24 and December 3, 24, and 26, led to the holding on December 28 of the first of a resumed series of working group meetings on the United States-USSR lend-lease settlement negotiations. Regarding these working group meetings, see Document 614. For texts of the notes cited above, see Department of State *Bulletin*, January 11, 1954, pages 44–47. Documentation on the exchanges of notes described and related topics is primarily in file 761.56.

No. 610

PPS files, lot 64 D 563, "USSR"

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Director of the Policy Planning Staff (Bowie)[1]

TOP SECRET [WASHINGTON,] October 14, 1953.

Subject: Direct Discussion Between United States and U.S.S.R. of Current Problems.

(Reference:

Your Memorandum of September 28, 1953;[2]

Mr. Knight's Memorandum of October 2, 1953;

Mr. Beam's Memorandum of October 6, 1953;[3]

Mr. Adair's Memorandum of October 7, 1953.[4])

In your memorandum of September 28, 1953 you requested a statement of views concerning problems which might be capable of

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[1]Drafted by Stoessel (EE) and cleared by Barbour (EE), Ridgway B. Knight (EUR/WE), and Ben Tillman Moore, Director of the Office of European Regional Affairs.

[2]Bowie's memorandum reads:

"At a meeting Saturday morning, September 26, on the German and Austrian problems, the Secretary raised the question as to which of the problems, among those currently at issue between the U.S. and U.S.S.R., might be capable of being discussed separately with the Soviets with some degree of success and which were too interdependent for separate solution.

"In order to follow up on this question, I would appreciate a brief memo of your views concerning the interdependence or separability of the various problems outstanding between the U.S. and the U.S.S.R." (PPS files, lot 64 D 563, "USSR")

[3]Neither Knight's nor Beam's memorandum is printed.

[4]Not printed. Charles W. Adair, Jr., of the Office of European Regional Affairs.

being discussed separately by the US with the Soviets, as opposed to those problems which are so interdependent that separate US-Soviet negotiations concerning them would not be possible.

Consideration of the possibility of separate US-Soviet negotiations regarding outstanding problems at issue involves two questions: (1) agreement between the US and the USSR as to the degree of interdependence of issues involved; and (2) the propriety of individual action on the part of the US in connection with problems which are of direct interest to our Allies.

With regard to the first question, it seems clear, as pointed out in Mr. Adair's memorandum (copy attached), that the USSR is presently endeavoring to attribute a high degree of interdependence to the major problems at issue between us. Whereas we are attempting to promote a separate solution of the Austrian question, for example, the Soviets take the position that this question is linked with a German settlement, which in turn is said to be related to general problems of international tension, including those in the Far East. This line is calculated to postpone concrete discussion of Austria and Germany, as well as insuring that, if negotiations are ever undertaken on the basis of the Soviet request for a review of the broad range of problems at issue, the USSR will stand to gain propaganda advantages through offering appealing concessions in one problem area but only in return for impossible or highly undesirable concessions from our side in another area. There is no reason to suppose that this attitude on the part of the USSR will change in the near future since, while the USSR seems disposed to seek a temporary abatement of the more extreme forms of international tension, there is no indication that the USSR finds it necessary to abandon its position of opposition to the US on basic problems at issue. Viewed in this light, it does not appear likely that the USSR would be willing to agree to negotiate seriously with the US on any separate political problems of major importance. It is possible, however, that the Soviets would be agreeable to talking with us regarding problems of relatively minor significance.

With regard to the second question raised above, that of the propriety of individual action on our part in connection with problems of direct interest to our Allies, it would appear that this consideration alone would preclude us from undertaking separate negotiations on the German and Austrian questions, regarding which our tripartite position is so well established and so far advanced. The same would hold true, we believe, with regard to Indochina, in view of the direct French interest there.

While we think that the prospects of negotiations between the US and the USSR regarding problems of major importance are not

favorable, there are discussed below certain issues which could conceivably be discussed on a separate basis:

1. *Armaments Controls*: Although we have emphasized in the past that this is a matter to be discussed in the forum of the UN, and have stressed that armament control is something which is, in fact, linked with problems of world tension and can only be resolved after tensions are lessened, it would be possible to justify an initiative on our part for direct talks with the USSR on the basis of the necessity for agreement between the two major atomic powers if armament control is to be successful. Such an initiative might be accepted by the Soviets as presenting an opportunity to negotiate endlessly without reaching agreement. This would offer us the possibility of at least talking with the Soviets on armament control, although it is difficult to see any other advantages accruing from it, in view of the unrealism of discussing armament control, in the absence of any change in the basic hostility of the USSR to the non-Soviet world and the virtual certainty that the Soviet state in its present form could never agree to a verification system satisfactory to the US.

2. *Korea*: We have represented the UN in negotiations with the Communist side in Korea and it would therefore appear appropriate, from the standpoint of our Allies, to approach the USSR directly regarding aspects of a Korean settlement. It is doubted, however, if the USSR would be prepared to involve itself directly in negotiations on Korea or to consider changes in the *status quo* in Korea in an exclusive context. Soviet agreement to a united, non-Communist Korea appears unlikely under any circumstances, and in any event could not be obtained without the granting of Western concessions in regard to other issues which we would consider undesirable.

3. *Berlin*: While there is a clear tripartite interest in Berlin, there is a precedent for direct US-Soviet negotiations regarding Berlin which was set in the Malik–Jessup talks leading to the lifting of the blockade. Since the Soviets must be presumed, especially after June 17, to be more anxious than ever to weaken the position of the Western allies in Berlin, they probably could be persuaded to discuss the problem of Berlin separately in the hope of obtaining favorable concessions. However, given the diametrical opposition of the US and Soviet objectives in Berlin, where the East-West clash is revealed in its sharpest form, the chances of success from such a discussion would appear minimal. It seems probable that the question of Berlin is not capable of negotiation in the absence of a German settlement.

4. *Austrian Economic Problems*: The suggestion made by Mr. Beam in his memorandum of October 6 (a somewhat similar one was made by Vienna in Embtel 844[5]) that we take the lead in requesting a reexamination of Austrian economic problems by the Occupation Authorities should be explored. In view of the apparent disposition of the Soviets to lighten the burden of their occupation in Austria, such an approach, if made after Soviet willingness to

[5]Dated Oct. 2; for text, see vol. VII, Part 2, p. 1902.

discuss a treaty at Lugano has been tested again, might bring favorable results.

5. *Danube Waterway*: The possible review of the convention controlling navigation of the Danube is a question which might be discussed with the Soviets, although it is doubtful if they would consider changes in the convention in the absence of a German and Austrian settlement.

6. *Cultural Exchange and East-West Trade*: We have noted the suggestion made by Mr. Beam in his memorandum of October 6 that some kind of arrangement might be worked out with the USSR in view of the Soviet interest in promoting East-West Trade and our own interest in bringing about an increase in cultural exchange with the Soviet Bloc. While it appears that the USSR might well be disposed to discuss cultural exchange with us, our own position with regard to the feasibility of developing cultural exchange is unfavorable. Our present immigration laws make it very difficult for us to accept non-official visitors to the United States from Soviet Bloc countries, a fact demonstrated most clearly in the case of the proposed visit of a Soviet chess team to the United States last July. In view of our inability to encourage visits of Soviet Bloc persons to this country, it would not be advisable for us, under present immigration restrictions, to push the question of cultural exchange with the USSR.

It is possible, of course, that cultural exchange could be increased between Western Europe and the Soviet Bloc, although it may be doubted if the benefits which would be gained by such increase would warrant greater support from the US in the direction of increasing East-West trade.

7. *Non-Aggression Pacts*: Our present policy of linking any kind of European security arrangements with a German settlement and of discouraging consideration of such arrangements on a separate basis would seem to preclude private discussion between the US and the USSR of this subject.

8. *Communist China and Formosa*: The USSR would probably be pleased to discuss directly with the US the recognition of Communist China by the United States, the admission of Communist China to the UN, and a change in the status of Formosa. It is difficult to see how these questions could be unlinked from a broad discussion of Far Eastern problems, even if we desired to do so, which in turn is highly doubtful.

In summary, it would appear that the possibility of separating out current problems for direct US-Soviet discussion is not promising. It seems most likely that the Soviets will continue for the foreseeable future to insist on the interdependence of major political questions and will refuse to consider seriously the possibility of their resolution on a separate basis.

There are, of course, a number of issues of strictly bilateral interest between the US and the USSR (Lend-Lease, plane incidents, American citizens, VOA jamming, *Amerika* Magazine) concerning which diplomatic negotiations might offer more hope of success than the larger problems discussed above.

No. 611

661.00/12–554: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State[1]

SECRET Moscow, December 5, 1953—7 p. m.

659. In addition to factors discussed in Embtel 624[2] which caused shift in Soviet position between November 3 and November 26 following considerations which may have played part in this development are worth examining.

It is possible that Soviet Government realized far-reaching implications mentioned Embtel 624 of a continued insistence on Chinese Communist participation as price for meeting. Tripartite note November 16 must have revealed to Kremlin that issue of Chinese participation was not in itself sufficient to divide three Western powers and therefore as long as this Chinese condition was maintained there was no prospect of any important contact with chief Western powers for indefinite future. It is likely that logical consequence of absence of any communication between East and West for a long period of time with blame resting squarely on Soviet Union was viewed with genuine concern by Soviet Government. Apart from fact that such a situation would serve to enhance Western solidarity, and materially assist in adoption EDC, it would almost inevitably mean return to intensified cold war and re-emergence of element crisis in international relations with accompanying increased danger war which Soviet Government if only because of domestic programs initiated this summer in agriculture, consumer goods and trade fields would not wish to see. Incompatibility between atmosphere of enhanced crisis in its international relations and these domestic programs both in USSR and satellites would be obvious even to Soviet bloc population.

It is belief of most foreign observers in Moscow that present regime genuinely desires to avoid complications and adventures in its foreign relations while domestic program to which government deeply committed is in progress. Soviet Government thus finds

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[1]Repeated for information to London, Paris, and Bonn.

[2]In telegram 624, Ambassador Bohlen offered his analysis of the significance of the Soviet notes of Nov. 3 and Nov. 26 to France, the United Kingdom, and the United States regarding the Austrian and German problems. Bohlen said he could discern no basic shift in the Soviet attitudes toward the Austrian and German problems, but he found it important to try to identify the circumstances and considerations that forced or induced the Soviet Government to finally accept the principle of a four-power meeting on the problems. (661.62/11-2753) For full documentation on these notes and the Western communications to which they replied, see vol. VII, Part 1, pp. 658 ff.

itself, as previously reported, confronted with major contradictions in its foreign relations: On one hand, desire to avoid accentuation tension in international relations with accompanying danger of war, and on other, determination to give up territorial acquisitions obtained as result of war, where Soviet form of society has been imposed. Soviet shift even of tactical position in space of three weeks is most unusual in Soviet practice and would not have taken place during Stalin regime. It, in all probability, was subject of considerable debate and possibly difference of opinion in hierarchy. External evidence of Soviet periodicals which went to press around November 26 and obvious surprise at Vienna peace conference indicate that this shift was not planned very far in advance since articles in these periodicals, i.e. *Kommunist, New Times,* continue emphasize condition of Chinese [garble] participation. This shift in position is illustrative of fact reported as far back as April (Embtel 1518[3]) that present direction Soviet Union is not in position to exercise same total cynical disregard contrast between Soviet word and deed possible under Stalin. Third factor of interest set off by note of November 26 which may possibly have some bearing on Soviet position and tactics at any four-power conference has been new formulation in regard to concept of Europe. Whereas previous Soviet propaganda had stressed two-world concept in ideological sense, Department will have noted that November 26 note speaks in terms of Europe as geographic concept and for first time since war does not reject out of hand idea that Eastern European nations and their relationship to European security are subjects for discussion. Heretofore Eastern European countries and in particular their relationship to rest of Europe have been regarded as outside of any discussion especially in political and security fields. Articles in Soviet press subsequent to November 26 note have stressed this new line of "Europe for the Europeans" with Anglo-Soviet and France-Soviet treaties as basis for such development without US (note difference in text November 26 note and reference Malenkov to British Ambassador that UK European country Embtel 631[4]). It is to be anticipated that theme will become one of chief lines Soviet propaganda prior to and at any four-power conference. Its aim, of course, is to seek to differentiate between interests of Europe including UK as against activities in Europe of "non-European countries"—the United States. It may likewise foreshadow at conference Soviet proposals for European regional security which of course would involve chief aim of present Soviet policy in Europe: i.e., European agreement for limitation and control of any German

[3]Printed as telegram 448 from Moscow, Document 585.
[4]Not printed. (641.61/11-2853)

armament with ultimate aim of squeezing US out of Europe. Department will recall in this connection that only point on which Molotov said Hitler found themselves in enthusiastic agreement in November 1940 was on desirability exclusion US from participation European affairs.

On specific problem of Germany, inclined to doubt if Soviets yet prepared to contemplate downfall GDR which would presumably be consequence of free elections (Bonn's 102[5]). Believe more likely that they will continue present line of insisting that German unification, elections and other attendant factors matter for two German regimes to work out while four powers confine themselves to peace treaty and other aspects German foreign relations.

The foregoing is submitted for possible assistance in consideration of present and future lines Soviet policy.

Department pass Bermuda if desired.

BOHLEN

[5]Not printed.

No. 612

761.56/12-1453

Memorandum of Conversation, by George E. Truesdell of the Office of Eastern European Affairs

CONFIDENTIAL [WASHINGTON,] December 14, 1953.

Subject: US-USSR Lend-Lease Settlement

Participants: The Soviet Ambassador, Mr. Georgi N. Zaroubin
Mr. Nikolai K. Grigoriev, Counselor, Soviet Embassy
Mr. Anatoli G. Myshkov, Third Secretary, Soviet Embassy
The Acting Secretary, General Walter B. Smith
EE—Mr. Truesdell
TC—Mr. Logofet, Interpreter for the Acting Secretary

The Soviet Ambassador called at his own request at 3:45 p.m. today and made a statement summarizing the position of his Government on the lend-lease question, namely, that the Soviet Union had striven for a lend-lease settlement; that the Soviet Government has already returned 3 icebreakers, 27 frigates, 7 tankers and 1 dry-cargo vessel; that agreements had been reached on compensation of holders of lend-lease oil refinery patents with all those interested firms willing to negotiate on a mutually acceptable basis;

that the Soviet Government had increased its global settlement offer up to $300 million while the United States had not reduced the amount asked although stating it would do so; that thus the Soviet Government had made essential concessions; that the Soviet Government expected the United States to reach agreement on all questions, especially the amount and to fulfill previous agreements on merchant ships and naval craft; that the Soviet Government was willing to cooperate on all questions concerning lend-lease and had in fact in its note of October 20,[1] proposed direct negotiations on a general lend-lease settlement; and finally that the Soviet Government hoped the United States would not limit the negotiations to technical questions, i.e. the 186 naval craft, for the Soviet side itself would also strive to settle this question.

The Acting Secretary commented that with respect to vessels, it should be noted that, if they were not returned shortly they would have lost their usefulness. He then asked if he understood correctly that the Soviet Government wished to buy some of the vessels. The Soviet Ambassador replied that his Government wished to purchase those vessels which the United States had already agreed to sell and to discuss all questions connected with lend-lease.

The Acting Secretary after obtaining confirmation that the Soviet position was to discuss all problems related to lend-lease, said that he did not reject the Ambassador's suggestion and that he did not feel that the Ambassador would find the United States position unreasonable. He said that the United States had already shown its willingness to compromise and cited as an example the fact that no payment was asked for lend-lease ammunition which was provided to the Soviet Union for use against the common enemy. The Acting Secretary then stated his belief that item by item discussion of the topics at issue provided a sound approach and that the question of ships should be settled first. The Soviet Ambassador expressed agreement but stated that his Government did not wish to confine discussions to technical questions only. He said that the solution of the question of the 186 vessels left only two other questions, namely, the global sum and the sale of the other vessels.

The Acting Secretary emphasized that there appeared to be little advantage to making each item dependent upon conclusion of an overall settlement but said careful consideration would be given to the Ambassador's statement and that he would consult the Secretary about it. He said that the Secretary would be back Thursday

[1]For text, see Department of State *Bulletin*, Jan. 11, 1954, p. 45; see also Document 609.

and he hoped to be able to give the Ambassador a reply on Friday or shortly thereafter.[2]

[2]The Department of State reply to Ambassador Zarubin's proposals was presented in an *aide-mémoire* of Dec. 24; for text of that document, see Department of State *Bulletin*, Jan. 11, 1954, p. 45.

No. 613

761.90/12-2453: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State

SECRET Moscow, December 24, 1953—3 p. m.

764. Final disposition of Beria case brought no surprises.[1] Description of summary court proceedings accordance law December 1, 1934 added no new factual or other information concerning real background and cause of Beria case. It is still Embassy's view that essence of case from beginning was role of secret police in Soviet dictatorship following Stalin's death and that decision for whatever reason of Malenkov and his associates to subordinate police to party was direct cause Beria's downfall. From all accounts final liquidation Beria and his immediate associates has been greeted by complete indifference and possibly secret pleasure by Soviet population and there have been no signs of anxiety or apprehension which accompanied similar phenomena during Stalinist purges in Thirty's. Indeed, all published material in last week has emphasized that case was closed and sought to create impression that it was not a beginning but an end. However, should need arise in future undisclosed "evidence" in Beria case could be conveniently used for implicating almost anybody in Soviet regime. Presence of two leading regular army members on special panel Supreme Court (one of whom Marshal Konev) while not unusual in cases of treason is probably reflection role of army in affair. Other membership of court appears to reveal desire to involve in responsibility representatives of chief institutions Soviet Union.

The regime in this case made a definitely half-hearted attempt to construct a convincing case against Beria possibly due to extremely troublesome consequences of "proving" that Beria had been an agent of foreign imperialism while he was working hand-in-glove in Politburo with present leadership. Indeed, in reading material of

[1]Telegram 763 from Moscow, Dec. 24, reported that the Soviet press had announced the execution of Beria and six accomplices by shooting on Dec. 23. (761.00/12-2453)

past week it is doubtful if present leadership wished Soviet population really to believe most of these charges against Beria.

There is of course elementary justice in fate of Beria and his GPU associates but it would have been more fitting if retribution had been meted out by his victims rather than his accomplices. Apart from political significance of Beria case which is of course important, entire proceedings go to confirm obvious fact that Stalin's successors have no greater semblance of morality or regard for truth than had Stalin himself.

BOHLEN

No. 614

Editorial Note

The Combined Working Group for a United States-USSR Lend-Lease Settlement held the first of a resumed series of meetings in Washington on the afternoon of December 28. During the remainder of 1953 and during January through March 1954, 28 more meetings of the Working Group were held. All meetings were held in the Department of State. Principal participants on the United States side were: Walter J. Stoessel, George E. Truesdell, Francis T. Murphy, Captain A.C. Veasey, and Commander R.A. Markham, both of the United States Navy. Principal participants on the Soviet side were Anatoly Fyodorovich Dobrynin and Engineer Commodore Peter A. Favorov, naval expert. On March 26, 1954, the two sides reached agreement on the arrangements for the delivery of 38 naval craft to the United States; see Document 618. The United States side maintained transcripts of the proceedings of the Working Group meetings. These transcripts and other documentation relating to the negotiations are in file 761.56.

No. 615

761.00/1-2054: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State[1]

TOP SECRET PRIORITY Moscow, January 20, 1954—6 p. m.

882. On eve of Berlin conference[2] it would appear appropriate to summarize briefly certain compulsions, inhibitions and contradic-

[1]Repeated for information to London, Paris, and Bonn.
[2]The Four-Power Conference met at Berlin, Jan. 25–Feb. 18.

tions which appear from here to affect, if not indeed in large measure control, present Soviet foreign policy. Since these spring primarily from internal political and economic developments since death of Stalin, they have perhaps not been as visible abroad as other elements of present Soviet policy such as opposition to EDC, US bases, desire to divide Europe from US, etc.

1. The first of these factors is the attempt made by Stalin's successors to institute group rule at the top as against the total power of one individual. Whether or not this attempt succeeds or fails is of course the big open question for future. However, adoption of this principle of dictatorship as against one-man rule has already produced important changes in methods with inevitable bearing on Soviet relations and attitudes towards non-Soviet world. As already reported, by its nature, group rule does not have same monolithic precision as absolute dictatorship of one man and possibilities of serious difference of opinion at summit are greatly enhanced as a result. For that reason leadership as already demonstrated by shift on conference issue between November 3 and 26[3] is more vulnerable to external factors such as public opinion both at home and abroad.

2. Soviet Government has committed itself very deeply to certain new internal policies especially in economic field. They have undertaken within next two to three years to produce an appreciable rise in standard of living and the development of agriculture, consumer goods and domestic trade. It is not necessary here to examine in detail what economic consequences in field of armament and tempo of heavy industrial development these programs may entail but merely to point out that government is so deeply committed to these programs that any sharp reversal in this field would create in my opinion a very serious situation for regime.

In circumstances entire present domestic program of Soviet Government dictates necessity of avoidance of international complications of a serious nature. It is for this reason and not because of any statements made by Soviet leaders that I believe new regime needs and genuinely desires some relaxation in international tension. They have, in effect, promised their people (1) relief from threat of war, (2) an important improvement in their standard of living and well-being, and (3) an increased element of personal security for average law-abiding citizen. The chances of success in these three fields are at best problematical but they are doomed to almost certain failure in event that international situation returns to a state of crisis. In short, for this phase of its development (we are of course not dealing now with Soviet policy or attitudes several years from now), Soviet Government by its own domestic policies to say nothing of greatly complicated problem of control over satellites has made peace an imperative necessity for present regime. As against this, however, must be placed equal determination of Soviet leaders not to give up any territory which they acquired as result of World War II. This determination I believe is based not

[3]For information on the Soviet notes of Nov. 3 and 26, see Document 611.

only on obvious factors such as strategic advantage of forward positions, et cetera, but more directly upon the repercussions which abandonment of any Sovietized regime such as in East Germany would have on satellite neighbors and possibly eventually on maintenance Soviet system in Russia.

The Soviets would of course like to have benefit of both—that is, achieve some relaxation of tension especially in field of armaments without yielding any territory which they control at present time. I emphasize this contradiction (previously reported Embtel 659[4]) in Soviet position since I feel its recognition and exploitation could be of considerable value to western strategy at Berlin in not allowing Soviets to escape from consequences of this basic contradiction which they face. In other words, if they can be made to recognize that a genuine reduction in tension is only possible by serious concessions on their part I believe we can present Soviet leadership with a choice which is almost certain to provoke dissension and even real division. I do not anticipate in any sense that it would be possible or even desirable to bring this contradiction to a head at Berlin.

The factors outlined above are not temporary phenomena but will continue to affect Soviet policy for at least next two or three years. These long-range considerations should be well worth keeping in mind during Berlin conference and may be helpful in resisting temptation on part of our allies to make unnecessary concessions in belief that something must be done quickly with Soviet Union.

BOHLEN

[4]Document 611.

No. 616

Eisenhower Library, Eisenhower papers, Whitman file

The President to the Ambassador to the Soviet Union (Bohlen), at Berlin[1]

[WASHINGTON,] February 6, 1954.

DEAR CHIP: I suppose that the rule is a good one that frowns upon the practice of the President writing directly to our Ambassadors abroad. Undoubtedly misunderstandings could arise if that kind of thing became a habit; but I still see no reason why a political post should prohibit anyone from an occasional attempt to communicate with old friends.

[1]Bohlen was in Berlin serving as a special adviser to the U.S. Delegation at the Four-Power Conference at Berlin, Jan. 25–Feb. 18. The mode of delivery of this letter cannot be further determined.

Not long ago while chatting in a group, your name came up and I was reminded of the many pleasant times we have had on the golf course together. I would truly like to get together again in a foursome that included also Cy Sulzberger[2] and Bunny Carter.[3]

The real purpose of this note, however, is to tell you every report I have on you is that no one representing America in Moscow could possibly do better than you are doing. I realize that you must live a life of continuous frustration, but obviously this is not preventing you from doing your job efficiently and well.

I would be grateful if you would convey my greetings and best wishes to the charming Mrs. Chip. My thoughts often go out to you both, and I do hope that you find compensations in your work that repay you to some extent for such disappointments as you encounter.

With warm personal regard,

Sincerely,[4]

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[2]Cyrus L. Sulzberger, foreign correspondent of the *New York Times*.

[3]Not further identified, but see Sulzberger, *A Long Row of Candles*, p. 616, for an account of a golfing party at a club outside Paris in March 1951 involving then General Eisenhower, Sulzberger, Bohlen, and a "Bunny Carter".

[4]The source text is not signed.

No. 617

Eisenhower Library, Eisenhower papers, Whitman file

The Ambassador to the Soviet Union (Bohlen) to the President

BERLIN, February 12, 1954.

MY DEAR MR. PRESIDENT: It is characteristic of you to find the time to write me so kind and thoughtful a letter.[1] I am deeply touched and I appreciate more than I can possibly tell you not only the fact of your writing but, more particularly, the things you have to say.

I must, in simple honesty, say that I have not found the job in Moscow especially difficult, given the limitations imposed by the Soviet system and policies on any really constructive work. While life there does contain its inconveniences and frustrations, neither my wife nor I have found it unduly difficult, and in my case these have been more than compensated by my intense interest in the present phase of Soviet development. In any event, I shall return to Moscow greatly heartened by your letter.

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[1]*Supra*.

As Cy Sulzberger may possibly have told you, one of the effects of life in Moscow has been a further deterioration in my already badly impaired game of golf.

My wife has asked me to thank you most sincerely for your kind message to her.

Faithfully yours,

CHARLES E. BOHLEN

No. 618

Editorial Note

Agreement was reached on March 26 between United States and Soviet representatives on the dates and procedures for the return to United States control of 38 small naval craft loaned to the Soviet Union under the World War II lend-lease program. For text of the agreement signed at Washington on March 26 and entered into force that same day, see 55 Stat. 31. For the of a brief Department of State announcement of the agreement, see Department of State *Bulletin*, April 12, 1954, page 563. Regarding the Working Group discussions which led to this agreement, see Document 614.

No. 619

611.61/4-1554

The Acting Secretary of State to Representative Howard S. Miller of Kansas[1]

[WASHINGTON,] April 26, 1954.

DEAR MR. MILLER: The White House has referred to me for reply your letter of April 13, 1954 proposing a conference between President Eisenhower and Premier Malenkov in the hope of reaching an understanding in the interest of world peace.[2]

I share your deep concern about the unsolved problems outstanding between the Free World and the communist controlled countries, and the effect of those unsolved differences on world peace. It is our view that the best way to eliminate the sources of international tension which threaten world peace is through a step-by-step approach to the solution and settlement of individual problems.

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[1]Drafted by Virginia H. James (EUR/EE) and cleared by Barbour (EUR/EE), Bonbright (EUR), and Morton (H).

[2]Not printed. The letter had been referred to the Secretary of State for reply by Gerald D. Morgan, Administrative Assistant to the President, on Apr. 15.

On April 16, 1953 President Eisenhower in an address to the American Society of Newspaper Editors in Washington outlined the steps to be taken toward the accomplishment of world peace; namely, the cessation of hostilities in Korea, Indo-China and Malaya; conclusion of an Austrian treaty; the establishment of a free and united Germany; and the reduction of armaments and agreement for the control of atomic energy. He stated that we are ready to make of the United Nations an institution that can effectively guard the peace and security of all peoples. The President made clear that the United States is ready to do its part in accomplishing these objectives. He asked what the Soviet Union is prepared to do.[3]

The road shows that a cessation of hostilities has been negotiated in Korea. Because of Soviet intransigence, however, it proved impossible at the Berlin Conference to conclude an Austrian treaty, even on terms previously acceptable to the Soviet Union; to agree on the unification of Germany on terms satisfactory to all; or to reach agreement on proposals put forward by the Western powers designed to reinforce the security of Europe on the basis of existing undertakings. Instead of showing a disposition to come to a mutual agreement on these problems, the stand of the Soviet Government made clear that it was not disposed to take any actions leading to the reconciliation of Europe, the division of which was caused by the Soviet Union.

We are now preparing to discuss the problems of Korea and Indo-China at the Geneva Conference. While the record of the Berlin Conference does not inspire optimism, we continue to hope that the Soviet Government and the communist regimes associated with it will take advantage of the Geneva meeting to solve in good faith the problems which are threatening peace in the Far East.

The Soviet Union has to date given no evidence of a change in its long-standing opposition to the establishment of an effective system of atomic energy control. The Soviet Union continues by its actions to demonstrate that it is not disposed to fulfill the spirit of the provisions of the United Nations Charter to which it is a signatory.

In the absence of evidence through deeds of a sincere disposition on the part of the Soviet Government to solve at the conference table the outstanding problems which threaten peace and security, it would not appear advisable or desirable to promote a meeting between the President and Premier Malenkov which, in the light of the Soviet attitude, could not be expected to be fruitful. Such a meeting would heighten expectations of a peaceful settlement of current problems without providing any realistic basis for arriving

[3]For text of the address, see Document 583.

at such a settlement. The failure of such a meeting would serve only to deepen present tensions.

Sincerely yours,

WALTER B. SMITH

No. 620

761.00/4-2154

Memorandum by the Director of the Executive Secretariat (Scott) to the Acting Secretary of State

[WASHINGTON,] April 29, 1954.

On April 2 you wrote to Alexander Kerensky[1] suggesting that, prior to meeting together as he proposed, you would appreciate his putting his opinions and observations in writing.[2] (Tab G)

His reply (Tab C) with attachments (Tabs D, E, F), although including some broad analyses (Tab E), concerns principally the problem of uniting Russian and non-Russian *émigrés* into an anti-Soviet organization. He requests the opportunity to discuss the problem with you.[3]

Mr. Kerensky has been working to accomplish this under the auspices of the "Coordinating Center of Anti-Bolshevik Center" founded in October 1952. The Coordinating Center is opposed by the "Paris bloc", the point of controversy being the Center's insistence that self-determination of peoples in the Soviet Union take place *after the overthrow of Bolshevism.* (Tab D)

Mr. Kerensky is disturbed by the recent effort of the American Committee for the liberation from Bolshevism to solve this problem through creating a "Working Alliance". (Tab F) He terms this "essentially American or at least American dominated". (Its membership "shall be acceptable to" the Committee. Tab F, page 3, para. 4)

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[1]Alexander Kerensky, a prominent Russian exile leader who served as Prime Minister of the Russian Provisional Government, June–November 1917.

[2]Under Secretary Smith's letter of Apr. 2, to Kerensky reads as follows:

"Thank you for your letter of March 29 which arrived while I was on a short vacation. I find on my return that my crowded desk and heavy schedule will not soon permit our having the long talk you suggest.

"Because I am very much interested in your opinions and observations, I should be grateful if you would put them in writing. In that way, I could gain some of the benefit of your views prior to our talking together."

Kerensky's letter of Mar. 29 has not been further identified.

[3]Kerensky's letter of Apr. 21 is printed below; none of the attachments to that letter is printed.

In response to Mr. Hennes' acknowledgment[4] (Tab B) Mr. Kerensky replied emphasizing the personal nature of his letter to you.[5] (Tab A)

W.K.S.

[Tab C]

Alexander Kerensky to the Under Secretary of State (Smith)

[NEW YORK,] April 21, 1954.

DEAR GENERAL SMITH: Please accept my warm thanks for your kind answer to my previous letter. I would have acknowledged it much earlier if it were not for some unforeseen circumstances, a reference to which you will find in the present letter.

You might recall that last November when I had the pleasure of seeing you in Washington,[6] I informed you of the difficult situation in which had found itself the so-called Coordinating Center, an organization formed by political *émigrés* from Soviet Russia, both "old" and "new". At that time, I also left a memorandum on this problem with Mr. Allen Dulles and Mr. C. D. Jackson. I am enclosing herewith a copy of this document which might be of some interest to you in case you have not seen (App. I[7]). In the concluding part of this memorandum, I pointed out how important it was to find some means of re-establishing the friendly cooperation between the American Committee for Liberation from Bolshevism and the Coordinating Center.

Almost immediately after my meeting with you, I left for Europe where I remained until the end of March. I spent most of the time in Munich where I worked with the Coordinating Center, and from there I went to Paris and then to London. While watching the development of the relations between the western world, on the one hand, and the Communist Bloc, on the other, I could not help feeling that the situation was becoming more and more critical. This impression of mine was fully confirmed by the significant pronouncements made by President Eisenhower and Secretary Dulles,

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[4]Hennes' (Richard V. Hennes, Staff Assistant to the Under Secretary of State) brief letter indicated that Kerensky's letter of Apr. 21 had been forwarded for reply to Walworth Barbour in view of Under Secretary Smith's imminent absence from the country.

[5]Kerensky's brief handwritten letter of Apr. 23 is not printed.

[6]No record has been found of this meeting between Under Secretary Smith and Kerensky.

[7]None of the appendices is printed.

on January 8,[8] and January 12,[9] respectively. In his pronouncement, Secretary Dulles gave what I believe to be an absolutely correct analysis of the strategic plan which for decades had been pursued by international Communism, under the direction of the Kremlin. Secretary Dulles also indicated that in his opinion, the continued Communist offensive could not be effectively checked by the old methods of containment.

On my part, I came to the conclusion that a moment had arrived for the Russian and non-Russian *émigrés* from the Soviet Union to revise their tactics of anti-Bolshevik struggle, in accordance with the new phase of international relations, as well as to devise the most effective forms of cooperation with America. I have tried to express my ideas on the present international situation and the tactical line it dictates in the memorandum—a copy of which I take the liberty of submitting to you herewith. (App. N2) As to the forms of cooperation between America and ourselves, this was precisely the problem I hoped to be able to discuss with you, remembering that at our last meeting you kindly expressed a desire to have a longer talk with me on some other occasion.

I wrote to you asking for an appointment on March 29, and a few days later, on April 1, I received a copy of the "Agreement for a Working Alliance" sent by the American Committee to the Chairman of the Coordinating Center. (I am enclosing herewith a copy of the "Agreement" in case you have not seen it—App. N.3). To me, the contents of this document was quite unexpected as it proposed a scheme of cooperation based on an entirely new principle of relationship between the two parties to the agreement. What it actually amounts to is the creation of an essentially American, or at least American-dominated, institution, with the participation of some consultant, chosen from among those more recent *émigrés* from the Soviet Union whose cooperation the American Committee would consider desirable.

Of course, the participation of such consultants in the work of the American Committee would be very useful, and I believe that the organized groups of the anti-Bolshevik Emigration would be glad to nominate properly qualified candidates. But the realization of this scheme by no means would solve the much broader problem of a fruitful cooperation between American agencies, on the one hand, and responsible representatives of *émigré* political organizations, on the other. It seems to me that in this critical moment

[8]Presumably reference is to President Eisenhower's State of the Union Message of Jan. 7.

[9]Reference is to Secretary Dulles' address made before the Council of Foreign Relations, New York, Jan. 12; for text, see Department of State *Bulletin*, Jan. 25, 1954, p. 107.

such a cooperation becomes an immediate necessity. I am firmly convinced that it can be achieved if one approaches the *émigrés* with a willingness to respect their intellectual and moral independence as well as their sense of individual and national dignity. I am equally firmly convinced that only if this cooperation is conceived as cooperation of allies in a common struggle against a common enemy, could one expect from it any positive and beneficial results.

It was this problem that I had in mind when I asked you for an appointment. I would be very happy to have a chance of presenting to you my ideas on the subject if, in view of the circumstances, you would find such a discussion both feasible and desirable.

Believe me, dear General Smith,

Sincerely yours,

ALEXANDER KERENSKY

No. 621

033.6111/5–1354: Telegram

The Secretary of State to the Embassy in the Soviet Union[1]

TOP SECRET PRIORITY WASHINGTON, May 13, 1954—6:55 p. m.

716. Eyes only Ambassador from Secretary. Considerable thought has been given here to statements by Marshal Zhukov in *Pravda* on occasion armistice commemoration.[2] You will recall that there was respect apparently on mutual basis between Zhukov and the President. Suggestions here have been made regarding possible communication by President to Zhukov, possibly on tenth anniversary of opening of second front in Normandy on June 6. Also suggestion has been made as to ascertaining possibility Zhukov visit. Purpose would be possibly to open up some channel of communication which might be less inflexible than Molotov appears to be. Would appreciate your reactions.

DULLES

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[1]Drafted by Dulles, cleared by Barbour (EUR/EE), and signed for the Secretary by Jeffrey C. Kitchen. Attached to the source text is a brief typewritten note of May 13 from Robert R. Bowie (S/P) to Dulles which reads: "Here is a draft of cable to Bohlen. It was prepared by Mr. Barbour after he and I talked. He thinks it is desirable to give this much detail to Bohlen about our thinking." It cannot be determined whether the text printed is the same as that submitted with Bowie's memorandum.

[2]See footnote 3, *infra*.

No. 622

761.00/5-1454: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Secretary of State[1]

TOP SECRET PRIORITY Moscow, May 14, 1954—5 p. m.

1411. Eyes only for Secretary. Before dealing with specific points raised your 716,[2] believe it might be useful summarize here my views on role of Soviet military.

Since Stalin's death professional military have been given increasing prominence but believe this to be logical result of termination overriding one-man rule of Stalin permitting professional military to assume more normal function in Soviet Government. We have not seen any reliable indication that professional military are playing independent political role or as such are in opposition to party leaders. No professional military man is on Presidium of Central Committee or Council of Ministers. Soviet and indeed Russian tradition has been that of subordination military to civilian control. While friction may of course exist there is not sufficient ground to predicate any policy or action on that supposition.

I am inclined therefore to believe that any direct communication from President as head of state to Zhukov, who retains purely military function would be unwise and would appear as transparent attempt to go behind backs of actual Soviet leaders. It would almost unquestionably be so regarded by them, especially Molotov, and might conceivably harm Zhukov's position. However, in order to follow up remote possibility that Zhukov's remarks in *Pravda* article[3] were meant to convey hint, President might consider including

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[1]Secretary Dulles sent a copy of this telegram to President Eisenhower on May 14 under cover of the following brief memorandum:

"I think the attached cable from Bohlen in reference to a possible invitation to Zhukov is sound, and I would be inclined to endorse his recommendations. Let me know if you wish me to do anything further in this matter." (761.00/5-1454)

[2]*Supra.*

[3]Telegram 1389 from Moscow, May 9, reported that the Soviet celebration of the end of World War II contained "interesting differences" from the way the anniversary was marked in 1953. The telegram cited in particular an article by Marshal Zhukov appearing in *Pravda* on May 9. In his article Zhukov reviewed the course of the war and included the following remark:

"Soviet people will never forget the selfless struggle which was carried on against the German Fascist forces by our Allies—the peoples of France, England, the United States of America and other countries, or the sacrifices borne by them in the struggle. We give due acknowledgement to the military valor of the armies of USA and England in the period of their joint struggle with us against German Fascist armies. We also give due acknowledgement to their military leaders—to General of the Army Eisenhower and Field Marshal Montgomery—under whose direction the

Continued

in any public statement he is planning to make on anniversary Normandy landings this year appropriate reference to Soviet armed forces and Zhukov personally. We could then watch with close attention manner in which this statement was handled by Soviet press which might give us clue to real significance Zhukov's remarks undoubtedly approved by leaders before publication. In light thereof we could examine possibility Zhukov visit.

While I am not competent judge adequately from here, believe any invitation to Zhukov to visit US would arouse excitement and concern Western European allies who would probably see in it attempt by US Government to open bilateral channel communication with Soviet Government. This might have some desirable sobering effect on our allies or on contrary might play into Soviet desire further split Western alliance.

BOHLEN

American and English armed forces more than once beat the German Fascist armies." (Microfilm telegram files, "Moscow FY 54")

No. 623

761.00/5–2754: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State[1]

SECRET Moscow, May 27, 1954—7 p. m.

1485. On 25th *New York Times* correspondent submitted to censor story dealing with Khrushchev's rise written around thesis of growing parity or duality of party and state. Buried in story however is clear reference to encroachment by Khrushchev into government field as revealed by parity of speeches at Supreme Soviet which in story is characterized as "government occasion". Reference also made to Kaganovich speech citing Khrushchev ahead of Malenkov as further evidence this parity. After holding 24 hours censor passed story virtually unchanged deleting only reference to fact that Council of Nationalities which Malenkov addressed as second chamber and Council of Union before which Khrushchev spoke as upper chamber as well as speculation at end of story to effect that principal address at RSFSR commemorative session would be given by Khrushchev. Fact that story was held 24 hours and deletions made makes it perfectly clear that story received top-level consideration. Possibly story was passed since its

[1]Repeated for information to Geneva.

chief emphasis was "parity and equality party and government" although parts referred to above making plain Khrushchev's encroachment into government field could hardly have escaped notice sophisticated reader. The paragraph in Voroshilov's speech before Hungarian party meeting in Budapest published in all central press today which bears down very heavily on importance of principle of collective leadership (Embtel 1484[2]) may have some relationship to developments in top leadership.

BOHLEN

[2] Not printed. (761.00/5-2754)

No. 624

National Intelligence Estimate[1]

TOP SECRET
NIE 11-5-54

[WASHINGTON,] June 7, 1954.

SOVIET CAPABILITIES AND MAIN LINES OF POLICY THROUGH MID-1959

THE PROBLEM

To estimate Soviet capabilities and the main lines of Soviet strategic policy through mid-1959.[2]

CONCLUSIONS

1. We believe that the stability and authority of the Soviet regime will not be affected during the period of this estimate by conflicts for power or differences respecting policy within the ruling group. Soviet authority over the Satellites will almost certainly remain intact. There are potential conflicts of interest between the USSR and Communist China but we believe that during the period of this estimate the cohesive forces in the relationship will be far greater than the divisive forces.

[1] Regarding National Intelligence Estimates, see footnote 2, Document 491.

According to a note on the cover sheet of this NIE, the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate. The IAC concurred in the estimate on June 1.

[2] Although this paper is concerned primarily with the USSR, strengths and capabilities of the other members of the Soviet Bloc (Communist China, Eastern European Satellites, East Germany, and North Korea) are referred to where these add significantly to Soviet power. Consideration is also given to possible Chinese Communist courses of action which may have a direct bearing on the main lines of Soviet policy. [Footnote in the source text.]

2. The economic policy of the USSR will probably continue to place primary emphasis on the rapid development of heavy industry and war potential, though with more attention than in the past to development of agricultural and consumer goods production. The high rates of economic growth achieved in the immediate postwar years have been declining. We believe that the annual rate for the next two years will be about 6 or 6.5 percent and in 1956–1959 about 5 or 6 percent.

3. We believe that if current economic programs are carried on as planned Soviet defense expenditures will have to remain approximately constant in terms of purchasing power, at least through 1955. However, military procurement, even if it does not rise above the high level reached in 1952 and maintained in 1953, will be sufficient for continuous qualitative improvement of the armed forces in weapons, equipment, and training. Apart from this general qualitative improvement, the most significant changes in Soviet military strength during the period of this estimate are likely to be as follows:

a. Increase in the nuclear weapons stockpile;
b. Increase in the capability to deliver these weapons by various methods;
c. Improvement in weapons systems for air defense;
d. Increase in the long-range submarine force.

4. We believe that the Kremlin probably will continue, at least for a year or two, to avoid courses of action which in its judgment would clearly involve substantial risk of general war. Bloc leaders will try to foster and exploit political weaknesses and, as opportunity offers, armed insurrections within the non-Communist world. Soviet leaders probably believe that, by alternately easing the tension and applying the political warfare pressure dexteriously, they can increase the chances that in time there will arise new opportunities for Communist strategic advances with substantial risk of general war.

5. While the Kremlin may continue to follow generally its present lines of policy throughout the period of this estimate, it should be borne in mind that the progress being made by the USSR in the development of nuclear weapons, and the increasing Soviet capability to deliver these weapons, are changing the world power situation in important respects. Under these conditions Soviet rulers will almost certainly believe that, as Soviet nuclear capabilities increase, the aversion of the US and its allies to general war will correspondingly increase, and that the Kremlin will therefore have greater freedom of action to pursue its objectives without running substantial risk of general war. Thus the Kremlin

will be increasingly ready to apply heavy pressure on the non-Communist world upon any signs of major dissension or weakness among the US and its allies. We believe, however, that the Kremlin will continue to be extremely reluctant to precipitate a contest in which the USSR would be subjected to nuclear attack. At the same time, we believe that the Kremlin would not be deterred by the risk of general war from taking counteraction against an action by the US or its allies which the Kremlin considered an imminent threat to Soviet security. We believe that the extent to which the Kremlin uses the increased freedom of action which its increased nuclear capabilities appear to give it, and the success which it achieves, will depend primarily upon the determination, strength, and cohesiveness of the non-Communist world.

6. We believe the Chinese Communist leaders in general share these Soviet views about the world situation and about opportunities and methods of advancing Communist interests. During the period of this estimate, Communist China will probably be reluctant to undertake courses of action which it considers might involve substantial risk of provoking unlimited war with a major power. The major deterrents will be: (a) China needs time to consolidate the Communist state as well as to modernize her economy; (b) China's strong ground forces are limited in service and support units, China's expanding air force has certain limitations, and China's navy has extremely limited capabilities, and China will remain militarily dependent upon the USSR for logistical, air, and naval support; (c) China's industrial centers will be vulnerable; and (d) the margin of available resources over minimum domestic requirements will be narrow. However, China will probably counter with military force, to the full extent of its capability, any action which it considers to be a military threat to its borders or to constitute an imminent threat to its vital interests, accepting the risks of war inherent in such action.

7. Both Soviet and Chinese Communist leaders probably feel that Southeast Asia offers particularly favorable opportunities for Communist expansion, not only because of the vulnerability of the states in the area, but because of the possibility of exploiting disagreements between the US and its allies. Continued Communist successes in Indochina, or the consolidation of present Communist gains in Indochina, would probably lead the Chinese Communists to expand their efforts to subvert neighboring countries by political infiltration and covert support of local insurrections, though probably not by the commitment of identifiable combat units of Chinese Communist armed forces. The aggressiveness with which such a policy would be pursued would depend on the vigor and effectiveness of non-Communist reaction.

[Here follows the "Discussion" portion of this estimate, comprising 12 of 16 pages.]

No. 625

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 206th Meeting of the National Security Council, Washington, July 15, 1954[1]

TOP SECRET EYES ONLY

Present at the 206th Meeting of the Council were The President of the United States, presiding; the Vice President of the United States; the Secretary of State (for Item 2 only); the Under Secretary of State (Items 1 and 3–7); Robert B. Anderson, for the Secretary of Defense; the Acting Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Attorney General (Item 1); the Acting Secretary of Interior (Item 4); the Secretary of Commerce (Item 1); Under Secretary of Commerce Worthy (Item 1); Assistant Secretary of Commerce Anderson (Item 3); the Director, Bureau of the Budget; the Director, Federal Bureau of Investigation (Item 1); the Administrator, Federal Facilities Corporation (Item 3); the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Assistant to the President; the Deputy Assistant to the President; the White House Staff Secretary; the NSC Representative on Internal Security (Item 1); the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

1. *Restricting Diplomatic and Official Representatives of Soviet Bloc Countries in the United States in Connection With Strategic Intelligence* (Memos for NSC from Executive Secretary, same subject, dated June 8,[2] July 9[3] and 14,[4] 1954; NSC Action No. 1117[5])

Mr. Lay opened the meeting by advising that the President would be delayed for a few moments. He suggested to the Vice

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[1]Drafted on July 16 by Gleason.

[2]This memorandum circulated to the NSC a letter of June 4 to Lay from J. Edgar Hoover as Chairman of the Interdepartmental Intelligence Conference and Thomas J. Donegan as Chairman of the Interdepartmental Committee on Internal Security, transmitting a joint report of the two committees to the National Security Council on "Restricting diplomatic and official representatives of Soviet bloc countries in the United States in connection with strategic intelligence," dated June 1. Neither the memorandum nor the report is printed. (S/S–NSC files, lot 63 D 351, NSC 5427)

[3]This memorandum transmitted to the NSC the NSC Planning Board draft recommendations on the joint IIC–ICIS report. (S/S–NSC files, lot 63 D 351, NSC 5427)

Continued

President that the Council begin with consideration of the captioned item.

Mr. Lay outlined the following background information with respect to the subject. The Council's Internal Security Committees (IIC and ICIS) were requested to make a joint study of the subject and to report thereon to the Council; on June 8, 1954, the resulting study was circulated to the Council.

Mr. Lay advised that coincident with the above circulation, and in accordance with the IIC–ICIS recommendations, CIA was requested to furnish an intelligence estimate in conjunction with IAC. . . .[6]

Mr. Lay also advised that IIC had also submitted its comments on SNIE 10-5-54 and its estimate of the effect of implementing the restrictions recommended in the IIC–ICIS report; that the Justice representative on the ICIS had also submitted his comments on SNIE 10-5-54.[7]

Mr. Lay next made reference to the Planning Board recommendations and to those contained in the IIC–ICIS report. He noted that all members of the Planning Board concurred fully in Recommendations 2, 4 and 5 of the IIC–ICIS report; that Recommendation 2 would require that all missions, establishments, etc., of Soviet bloc countries in the U.S. be plainly marked and that their representatives be required to appropriately identify themselves while functioning in the U.S.; that Recommendation 4 would provide for the establishment of programs, under the aegis of the Department of Commerce, relating to the release of governmental and non-governmental data of an unclassified strategic intelligence character; and that Recommendation 5 would provide that the military agencies and the AEC would circularize companies and facilities engaging in manufacturing or research for those agencies, advising of the practices of Soviet bloc representatives in attempting to obtain unclassified technical and strategic intelligence and suggesting that Soviet bloc officials requesting such information be referred to the appropriate Government agency.

Mr. Lay then referred to the three recommendations in the ICIS report on which there was not full agreement by all agencies concerned—namely, Recommendations 1, 3 and 6. Mr. Lay pointed out, as to Recommendation 1, that the IIC–ICIS proposed in essence that Soviet bloc missions be notified that all of their personnel in

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[4]This memorandum circulated to the NSC a letter from the Joint Chief of Staff supporting the draft recommendations enclosed with Lay's memorandum of July 9. (S/S–NSC files, lot 63 D 351, NSC 5427)

[5]Not printed.

[6]SNIE 10-5-54, not printed. (S/S–NSC files, lot 63 D 351, NSC 5427)

[7]Neither printed; enclosed with Lay's memorandum of July 9.

the U.S. (including those attached to international organizations) should be prohibited in the future from obtaining certain types of unclassified strategic information, and that deletions from the list of such prohibited items would be considered by the U.S. when and if comparable materials are made available to U.S. representatives in the bloc countries.

As to Recommendation 3, Mr. Lay pointed out that, with the exception of the Department of State, the Planning Board agreed with IIC and ICIS that travel restrictions on Soviet bloc representatives in the U.S. should be on a strict reciprocal basis and enforced on a basis at least comparable to the restrictions on U.S. representatives in Soviet bloc countries.

As to Recommendation 6, Mr. Lay noted that the Planning Board recommendation was a modification of that proposed in the IIC–ICIS report; that whereas the latter report recommended that when Soviet bloc representatives desire unclassified Government documents, they be requested to apply for same at a central office, the Planning Board recommended channeling of such requests through a central point, but on the basis of reciprocity, depending on the practices employed in each of the bloc countries with respect to requests made for comparable data by U.S. representatives in those countries. Mr. Lay noted that, pending the development of more detailed information regarding such practices, the Planning Board recommended approval in principle of its modified recommendation.

Mr. Lay then called upon the Attorney General, who asked the Director of the Federal Bureau of Investigation for his comments.

Mr. Hoover pointed out at the outset that there are 309 diplomatic representatives of Soviet bloc countries in the U.S., 15 of whom are from the USSR; whereas the U.S. has only 83 of its representatives in the Soviet Union. . . .

. . . . . .

Mr. Hoover went on to say that he believed the subject had been thoroughly considered by IIC, ICIS and the Planning Board, and that he felt that the recommendations made in the IIC–ICIS report were quite restrained. He observed that the recommendations in no instance were more than reciprocal. He expressed the opinion that it would be necessary to place the blockades between the Soviet bloc representatives in question and the information they were desirous of obtaining. It was Mr. Hoover's personal belief that if the recommendations made by the Internal Security Committees are

adopted and implemented, additional restrictions would not be placed against our people by the Soviet bloc countries.

. . . . . .

At this point, Mr. Hoover adverted to his earlier reference concerning the interpretation given by the employee of the Department of Commerce regarding the regulation which precludes the furnishing of certain information in the Geodetic Survey Office to Communists, and he stated that he could hardly conceive that the Secretary of Commerce would interpret that such Soviet representatives were not Communists. He attributed this interpretation to some subordinate down the line in the Department and not to the Secretary of Commerce.

Mr. Lay then called upon Secretary Smith to comment. Secretary Smith advised that the State Department's position was an extremely detached and completely objective one. He said the job of the Department of State was to collect political information, and that such collection could be done without much travel in the Soviet Union. He added, however, . . . that in considering these necessary services, his job was to point out as dispassionately as possible which of the recommendations in the IIC–ICIS report would aid the several interested agencies of the Government and which of the recommendations would impede U.S. interests.

Secretary Smith referred to the reference in the IIC–ICIS report which reflected that the Soviets relaxed their travel restrictions after the U.S. imposed additional travel restrictions on Soviet personnel here. Secretary Smith indicated that this relaxation had nothing to do with the restrictions imposed by the U.S.; rather, the modified restrictions of the USSR resulted from various changes in the Soviet Union following Stalin's death.

Secretary Smith expressed the view that the blocking off of large areas of the U.S. is infeasible, and stated that he was afraid that if the U.S. were to do that, there would be considerable adverse reaction in this country, in that people in areas where access was not denied would want such areas denied to Soviet personnel.

At this point, Secretary Smith called attention to a map which was in exhibition before the Council and which reflected the additional areas in the Soviet Union which have recently been opened to our personnel there. Secretary Smith advised that in recent months U.S. representatives have traveled 205,000 man miles in the USSR.

Secretary Smith advised that the Department of State is of the view that Recommendations 2, 4, 5 and 6 of the Planning Board should be approved, with the caveat that the Department of State

determine the exact method of implementation, in consultation with other appropriate agencies, and that they should be applied quietly and by degrees. He proposed that Planning Board Recommendations 1-a and 1-b be referred back for more realistic study. He stated that the Department of State is opposed to Planning Board Recommendation 3. It was Secretary Smith's view that if the Council were to go beyond the proposals of the Department of State which he had just outlined, the U.S. would rapidly reach a point of diminishing returns.

. . . Mr. [Allen] Dulles observed that if we endeavored to restrict Soviet bloc personnel only in the acquisition of this unclassified data, they would be able to get it through other means and through various European countries.

Mr. Lay then called upon Secretary Weeks for his comments. Secretary Weeks advised that the Department of Commerce is unable fully to evaluate all of the recommendations in the report, since many of them do not relate to that Department. He stated, however, that Commerce concurs in those recommendations of the report which apply to that Department.

Secretary Weeks made reference to Mr. Hoover's comments regarding the interpretation of the Commerce regulation which precludes furnishing certain types of information to Communists. He stated that this matter had been called to his attention by Mr. Cutler; that he had had the matter investigated; and that investigation had disclosed that an innocent mistake had been made by the employee involved.

Secretary Weeks then referred to the nautical and related types of maps which Soviet bloc representatives were obtaining from the Coast and Geodetic Office, and stated that it is possible to walk into any store in the country and buy such maps and charts. He added that he had in fact bought them himself. He stated that since this was the case, he did not know why the Soviet bloc representatives came to the Department of Commerce to obtain these maps, rather than purchase them at various stores where they are available throughout the country. Secretary Weeks added that the foregoing was not intended to modify his Department's views on the recommendations. He again stated that the Department of Commerce favors the recommendations which relate to it.

The Vice President inquired if strict reciprocity is now in effect between the U.S. and the USSR. Secretary Smith advised that the answer is no, and went on to state that when he left Moscow, USSR regulations precluded our personnel from traveling beyond a 40-kilometer distance from Moscow. He said that at that time our personnel were permitted to go to two or three other places, but only with special permission. Secretary Smith stated that now,

however, much more extensive travel is allowed. He added that he did not believe that a great deal is actually gained from this added travel, and again emphasized that if the Council were to go beyond the proposals made by the Department of State, he felt that the U.S. would be taken past the point of diminishing returns.

. . . . . .

At this point the President and the Secretary of State joined the meeting, and Mr. Lay briefly summarized what had transpired up to that time. Secretary Smith briefly summarized what he had said previously.

The President said he would like to ask Mr. Hoover how much we can really deny to these people. He stated that when he had seen the Smyth report in 1945,[8] he had given up on trying to keep anything secret.

Mr. Hoover stated that one of the recommendations in the IIC-ICIS report provided that any requests made by Soviet bloc personnel be channeled through a central source. He said that this does not mean that denial of all such information could necessarily be assured by the adoption of that recommendation, but that it would certainly slow them down in the efforts to acquire it. . . .

The President asked Secretary Smith for his views on the matter, and Secretary Smith thereupon read from a brief memorandum which he had read earlier to the Council. Secretary Smith then stated that the Department of State agreed with Planning Board Recommendations 2, 4, 5 and 6; that it recommends their approval with the caveat that State should determine, in consultation with other agencies, the exact method of accomplishing them, and that they be done quietly and on a progressive basis. He said State recommended against the adoption of Planning Board Recommendation 3, and that it proposed the referral of Planning Board Recommendations 1-a and 1-b back to the Planning Board for further consideration, while observing the effect of implementing the other recommendations proposed for approval.

The President said that in a situation of this kind we at the Council table have to shoot from the hip; we do not have detailed background data on the matter; that if we could successfully put all of these recommendations in effect he would favor doing so, but he thought the best way to handle the situation was by continuing

[8]Henry D. Smyth, "A General Account of the Development of Methods of Using Atomic Energy for Military Purposes," the official report on the development of the atomic bomb in the United States, 1940–1945, prepared by the Chairman of the Department of Physics of Princeton University; released by the War Department on Aug. 12, 1945, and published as "Atomic Energy for Military Purposes" (Princeton, N.J.: Princeton University Press, 1945).

close liaison and close working relations between State, CIA, FBI, etc., meeting these problems and resolving them as they arose.

Mr. Allen Dulles stated that he had been keeping a clipping file on classified security data which had been appearing in the press, and he felt that it was this situation which we should be studying and trying to resolve. Mr. Dulles referred, by of example, to the recent article written by Retired Admiral Morreel relative to the destruction of the steel-producing capabilities of the U.S. by Soviet H-bombs.

The Vice President though that apart from the question of acquisition of intelligence, another factor which should be considered was the advisability of adopting absolute, rigid, strict reciprocity with respect to Soviet bloc diplomats. He stated that there has been a feeling in the past in the Department of State that if we were nice to the Soviet bloc diplomats they would be nice to us. Secretary Dulles and Secretary Smith observed that this feeling did not obtain at the present time in the Department of State.

Secretary Smith stated that State favors identical, rather than comparable, restrictions with respect to the bloc personnel. The Attorney General said that the Department of Justice could go for that type of arrangement.

Mr. Lay suggested, in conjunction with the foregoing, that a technical group composed of appropriate agencies should be established for the purpose of accomplishing this objective.

The President expressed the view that constant study of this problem by competent personnel in the agencies concerned was more important than trying to lay down precise and detailed regulations.

Secretary Weeks said, with respect to Planning Board Recommendation 4, that he thought the Department of Commerce, in consultation with industry, could help slow down considerably the efforts of Soviet bloc representatives to acquire unclassified strategic data from industrial sources in this country. Mr. Lay pointed out that one of the recommendations in paragraph 4 dealt specifically with this point, and with the taking of affirmative steps by the Department of Commerce to solicit the voluntary cooperation of business and industry with respect to the publication of such data.

Secretary Dulles observed that there were psychological aspects to this problem, and that he believed that it was a domestic political relations problem primarily. He observed that it would be well for us to be in a position to say that we were reciprocating in kind vis-à-vis the Soviet bloc. He observed that a far greater problem existed with respect to the safeguarding of classified security information, as contrasted to the safeguarding of unclassified data. Mr Hoover pointed out in this regard that the particular study under

consideration by the Council was limited to the problem of restricting access to unclassified, as distinguished from classified, materials. Secretary Dulles stated that he did not believe that the fate of the world would depend on how we solved this particular problem.

The President again stated that he had doubts as to the advisability of trying to lay down regulations on the subject, other than in the broadest terms.

Secretary Humphrey thought that the Council's guide should be that we do to them precisely what they do to us. The President stated that his only objection to that point was the problem of trying to enforce any detailed regulations that were drawn. He said he disliked issuing an order unless it could be enforced fully.

Dr. Flemming asked if the Council could not accomplish what it wished to do in this situation by referring the matter to the Operations Coordinating Board. Mr. Lay pointed out that the OCB is not in the internal security field, and that this problem was primarily one of an internal security nature. The President said that the problem should be resolved by making our arrangements vis-à-vis the Soviet bloc strictly reciprocal all around.

Secretary Smith observed that it was not realistic to close out areas in the U.S. comparable to those which we are denied in the Soviet bloc countries.

The Attorney General suggested that an attempt be made to agree on areas along the lines of strict reciprocity and that if agreement could not be reached, then the problem could be brought back to the Council. Secretary Smith stated that wherever we can do it, he was in favor of restricting the activities of Soviet bloc representatives in the United States.

Secretary Weeks referred to the Planning Board recommendations which were to be implemented by the Department of Commerce, stating that he assumed that from a monetary standpoint his Department would receive a helping hand from the Bureau of the Budget when it came to implementing such recommendations.

Mr. Lay advised that a record of action on this subject would be prepared for circulation to the Council, along the lines indicated by the President.

The National Security Council:

a. Discussed the recommendations of the NSC Planning Board transmitted by the reference memorandum of July 9, in the light of the report by the IIC–ICIS on the subject transmitted by the reference memorandum of June 8, the report of the Director of Central Intelligence contained in SNIE 10–5–54, and the views of the Joint Chiefs of Staff transmitted by the reference memorandum of July 14.

b. Adopted Recommendations 2, 4, 5 and 6 by the Planning Board, with the understanding that they be instituted quietly and

by degrees, and that the exact method of implementing Recommendations 2 and 6 will be determined by the Department of State in consultation with other interested agencies in order to minimize the risk of Soviet bloc retaliation.

c. In lieu of Recommendations 1 and 3 by the NSC Planning Board, adopted the following:

> Restrictions be placed upon diplomatic and official representatives of the Soviet bloc countries in the United States on the basis of strict reciprocity for restrictions placed upon U.S. representatives in each Soviet bloc country; as determined to be feasible by a group composed of representatives of the Departments of State, Defense, Justice, and of ODM and CIA.

Note: The actions in b and c above, as approved by the President, subsequently transmitted to the appropriate agencies for implementation, and circulated to the Council for information.[9]

[Here follows discussion of the remaining agenda items dealing with the European Defense Community and other matters.]

S. EVERETT GLEASON

[9]The recommendations adopted by the Council at this meeting were subsequently circulated as NSC 5427.

No. 626

661.00/8-1054

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] August 10, 1954.

In a recent letter[2] commenting on National Intelligence Estimate 11-5-54 (Soviet Capabilities and Main Lines of Policy Through Mid-1959),[3] Ambassador Bohlen states he sincerely feels that it is quite impossible to forecast even the main lines of Soviet policy for five years in advance. He says: "Capabilities of an industrial or military nature are, of course, another matter and to some extent can be very roughly estimated for a considerable period in the future. In regard to policy, intentions, etc., however, I doubt very much if even the men in the Kremlin could give you a reasonable answer."

[1]Drafted by Robert O. Blake of the Office of Eastern European Affairs and approved by Barbour (EUR) and Thurston (EE). The source text bears a notation indicating that Secretary Dulles saw this paper.

[2]Not further identified.

[3]Document 624.

With regard to the estimate in 11–5–54 that "the stability and authority of the Soviet regime will not be affected during the next five years by conflicts for power or differences respecting policy within the ruling group," Ambassador Bohlen feels there is clearly some confusion of thought. If there is a serious conflict for power or if there are such deep policy differences with the ruling group as to result in a split with the elimination of one faction as against another, he feels that this could not happen without seriously affecting the Soviet regime. "The serious, if not catastrophic, consequences to the Soviet regime of a fight to the death for whatever reason within the ruling group is one of the reasons why Embassy Moscow has tended to be less sanguine about such a split occurring." Ambassador Bohlen finds it difficult to believe that the men who run the Kremlin and who are aware of all its problems and difficulties would be unaware of the dangers.

He feels that present evidence does not justify any firm assumption concerning a struggle for power despite the undoubted existence of normal human rivalries and jealousies within the group. If, however, for a number of reasons such a struggle does break out, whether based on policy differences or individual rivalries, the entire Soviet regime will be affected.

Ambassador Bohlen has some reservation with regard to the NIE conclusion that "The Soviet rulers will almost certainly believe that, as Soviet nuclear capabilities increase, the aversion of the United States and its allies to general war will correspondingly increase, and that the Kremlin will therefore have greater freedom of action to pursue its objectives without running substantial risk of general war. Thus the Kremlin will be increasingly ready to apply heavy pressure on the non-Communist world." He feels that in the field of nuclear diplomacy, "there is confusion between cause and effect. That increased Soviet nuclear capability will have an effect on the Western world and particularly our allies is already painfully evident. However, it is by no means certain or even probable that the Soviet Union will be prepared to take greater risks on that account. After all, despite their capability to control the public opinion, these men themselves cannot be unaffected by the consequences of an atomic war. . . .[4] Malenkov's election speech, which spoke about the dangers to world civilization of nuclear warfare, probably represented much more the true thinking than the subsequent backtracking to the more familiar line of destruction of capitalism." Ambassador Bohlen feels, however, that Soviet activities in taking advantage of divisions in the Free World will be confined in large measures to the diplomatic and political as against the

[4]Ellipsis in the source text.

military field. He notes that although unfortunate signs of division have been rather prevalent in the Western camp recently, the Soviet Union has not seemed to be applying heavier pressure on that account.

Ambassador Bohlen is somewhat disturbed about renewed tendencies to explain Soviet developments in terms of a struggle for power among Soviet leaders. He feels that recognition of this policy is one thing but that its acceptance as a working hypothesis in the light of which all developments are interpreted is quite another. He points out that although the Embassy in Moscow has never dismissed the possibility that collective leadership at the top will break down, nevertheless, he does not feel the evidence tends to indicate that a serious fight is in progress.

In conclusion Ambassador Bohlen states that he feels any attempt to write a five-year paper is almost doomed in advance. "The longer I am here the more I believe the inductive as against the deductive method of analysis of this country is the sounder. By this I mean conclusions drawn from an analysis of what has happened rather than the interpretation of events in the light of previously arrived at conclusions" should be the rule.

No. 627

INR-NIE files

National Intelligence Estimate[1]

TOP SECRET
NIE 11-4-54

[WASHINGTON,] September 14, 1954.

SOVIET CAPABILITIES AND PROBABLE COURSES OF ACTION THROUGH MID-1959

THE PROBLEM

To estimate Soviet capabilities and probable courses of action through mid-1959.

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[1]Regarding National Intelligence Estimates, see footnote 2, Document 491.

According to a note on the cover sheet of this NIE, the intelligence agencies of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this paper. The IAC concurred in this estimate on Sept. 14.

CONCLUSIONS

General

1. We believe that the stability and authority of the Soviet regime will not be significantly affected during the period of this estimate by conflicts for power or differences respecting policy within the ruling group. Any internal conflicts arising out of such developments would probably be resolved within the confines of the ruling group and the higher echelons of the Communist Party and would not lead to civil wars or disturbances of major proportions.

2. The appearance of new leadership in Moscow has had no apparent effect on the character of relations between the USSR and its Satellite states in Eastern Europe. We believe that Soviet authority over the Satellite regimes will remain intact during the period of this estimate.

3. Communist China is more an ally than a Satellite of the USSR. It possesses some capability for independent action, possibly even for action which the USSR might disapprove but which it would find difficult to repudiate. We believe that despite potential sources of friction between the two powers arising from occasional conflicts of national interests, the cohesive forces in the relationship will be far greater than the divisive forces throughout the period of this estimate.

Economic

4. The *rate* of growth of the Soviet economy has declined in the past five years from the very high rate of the immediate postwar period. We estimate that during the next two years Soviet gross national product (GNP) will increase by about 6 or 7 percent, and in 1956–1959 by about 5 or 6 percent, per year. If US GNP should increase during the period of this estimate at its long-range annual average of 3 percent, Soviet GNP would at the end of the period be about two-fifths of US, as compared with about one-third in 1953.

5. The pattern of resource allocation in the Soviet economy in 1953 showed about 14 percent devoted to defense, 28 percent to investment, and 56 percent to consumption. Current economic programs indicate that for at least the next two years the amount of expenditure on defense, instead of continuing the rapid increase that prevailed in 1950–1952, will remain about the same, while expenditure on investment and consumption will increase. We believe the chances are better than even that the Kremlin will continue its policies along these lines throughout the period of this estimate. The chief emphasis will almost certainly continue to be on further development of heavy industry.

6. The chief weakness of the Soviet economy as a whole has been in agricultural production, which has remained since 1950 at approximately the prewar level, though the population is now about 10 percent greater than in 1940. Soviet leaders appear to have recognized that continuation of the serious lag in agriculture would ultimately make it difficult to meet the food requirements of the growing urban population, the raw material requirements of the expanding industrial economy, and the export requirements of Soviet foreign trade, in which agriculture plays a major role. To remedy the situation the regime has embarked on a vigorous program, with the aim of achieving by 1956 a 50-percent increase in agricultural production over 1950. We believe that this goal will not be met, and that even in 1959 agricultural production will be no more than 15 to 20 percent higher than in 1950. Even this increase, however, would be sufficient to achieve a moderate increase in the per capita availability of foodstuffs and textiles.

Military

7. We believe that, generally speaking, the size of Soviet forces-in-being will remain approximately constant during the period of this estimate. However, the over-all effectiveness of these forces will increase, mainly because of the following factors:

a. A great increase in numbers of nuclear weapons, and in the range of yields derived from these weapons;
b. An increase in the number of all-weather fighters and jet medium bombers, and the introduction of jet heavy bombers in 1957;
c. A great increase in the number of long-range submarines;
d. An increase in combat effectiveness of Soviet ground forces, primarily due to improved weapons, equipment and organization, and to changes in doctrine and tactics designed to increase their capabilities for nuclear warfare.

8. The principal limitations of Bloc armed forces during the period of this estimate will be: deficiencies in experience, training, and equipment for long-range air operations and air defense; lack of capability to conduct long-range amphibious and naval operations; and the logistic problems, especially for operations in the Far East, arising from the size of Bloc territory and the relatively inadequate road and rail network and merchant fleet. The questionable political reliability of the Satellite armies places a significant limitation upon their military usefulness.

Probable Courses of Action

9. We believe that during the period of this estimate the Kremlin will try to avoid courses of action, and to deter Communist China from courses of action, which in its judgment would clearly involve

substantial risk of general war.[2] However, the USSR or one of the Bloc countries might take action creating a situation in which the US or its allies, rather than yield an important position, would decide to take counteraction involving substantial risk of general war with the USSR. We believe, moreover, that the Kremlin would not be deterred by the risk of general war from taking counteraction against a Western action which it considered an imminent threat to Soviet security. Thus general war might occur during the period of this estimate as the climax of a series of actions and counteractions, initiated by either side, which neither side originally intended to lead to general war.

10. The progress being made by the USSR in the development of nuclear weapons, and the increasing Soviet capability to deliver these weapons, are changing the world power situation in important respects. Soviet leaders almost certainly believe that as Soviet nuclear capabilities increase, the unwillingness of the US, and particularly of its allies, to risk general war will correspondingly increase, and that the Kremlin will therefore have greater freedom of action to promote its objectives without running substantial risk of general war. In any case, the USSR will probably be increasingly ready to apply heavy pressure on the non-Communist world upon any signs of major dissension or weakness among the US and its allies. Nevertheless, we believe that the Kremlin will be extremely reluctant to precipitate a contest in which the USSR would expect to be subjected to nuclear attack. The extent to which the Kremlin uses its increasing freedom of action will depend primarily on the determination, strength, and cohesiveness of the non-Communist world.

11. We believe that the USSR will continue to pursue its expansionist objectives and to seek and exploit opportunities for enlarging the area of Communist control. It will be unswerving in its determination to retain the initiative in international affairs and to

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[2]The Assistant Chief of Staff, G–2, and the Director of Intelligence, USAF, believe that the following should be substituted for the first sentence of paragraph 9: "Although the Kremlin will probably try to avoid courses of action and to deter Communist China from courses of action that entail substantial risk of involving the USSR in general war, it may be more willing to support courses of action that would involve risk of a localized war between the US and Communist China. The support given such courses of action would depend largely on Soviet judgment as to the probable outcome of the war. If the Soviet leaders believed that it would result in a severe defeat to Communism, or the fullscale participation of the USSR in general war, they would probably exert pressure on the Chinese to avoid courses of action which would precipitate hostilities. On the other hand, if they estimated that the conflict could be limited to war localized in the Far East, and that it would result in greater relative damage to US strengths than to Communist strengths, they probably would support more adventurous courses of action on the part of the Chinese Communists." [Footnote in the source text.]

capitalize on successes in order to keep the Free World on the defensive. For the near term, however, the Kremlin will almost certainly continue to direct its external policies towards the immediate objectives of weakening and disrupting the mutual defense arrangements of non-Communist states, preventing or retarding the rearmament of Germany and Japan, undermining the economic and political stability of non-Communist states, and isolating the US from its allies and associates in Europe and Asia. At the same time it will continue to expand the industrial strength of the Bloc, and to maintain large modern forces-in-being as a guarantee of the integrity of the Bloc and as an instrument of intimidation in support of its policies abroad.

12. The Communists will vary the methods used to accomplish the foregoing aims and will time their actions so as to exploit situations that in their judgment offer the most favorable opportunities. For the time being, the Kremlin seems to feel that its foreign objectives will be best served by a generally conciliatory pose in foreign relations, by gestures of "peaceful co-existence" and proposals for mutual security pacts, by tempting proffers of trade, and by playing on the themes of peace and disarmament. The purpose of these tactics is to allay fear in some parts of the non-Communist world, to create the impression that there has been a basic change in Soviet policy, and thereby to destroy the incentive for Western defense and to undermine US policies. At the same time, however, the Communists continue to support and encourage nationalist and anticolonial movements, and to maintain their efforts to subvert governments outside the Bloc. We believe that the Kremlin will revert to more aggressive and threatening conduct whenever it feels that such conduct will bring increased returns. By such varieties and combinations of tactics the Soviet leaders almost certainly consider that they can improve the chances for further Communist strategic advances. We do not believe that such tactics indicate any change in basic Communist objectives, or that they will involve any substantial concessions on the part of the Kremlin.

13. We believe that Southeast Asia offers, in the Communist view, the most favorable opportunities for expansion in the near future. The Communists will attempt to extend their gains in Indochina, and will expand their efforts to intimidate and subvert neighboring countries by political infiltration and covert support of local insurrections. We do not believe that the Communists will attempt to secure their objectives in Southeast Asia by the commitment of identifiable combat units of Chinese Communists armed forces, at least during the early period of this estimate. However, we find the situation in this area so fluid that we are unable to estimate beyond this early period.

[Here follows the "Discussion" section, comprising 58 of the 62 pages (including 20 pages of appendices).]

No. 628

761.00/9-2154

Memorandum by the Special Assistant for Intelligence (Armstrong) to the Acting Secretary of State[1]

OFFICIAL USE ONLY [WASHINGTON,] September 21, 1954.

Subject: Intelligence Note: Soviet Leaders Reduce Atmosphere of Isolation

Soviet leaders for the past year have increasingly endeavored to reduce the appearance of aloofness and isolation that marked their relations with the Soviet public and foreigners in Moscow during Stalin's later years. This development appears to be part of a program to stress collective leadership, which excludes the Stalinist build-up of any individual as a demigod, rather than part of a calculated campaign to popularize the leadership.

The new approach is evident in three trends:

(1) *A marked increase in the public appearances of Presidium members and Central Committee secretaries at Soviet and Diplomatic functions within the USSR.* In general, the frequency of such appearances by the Presidium as a group has increased nearly fourfold, e.g., 30 during the past year as compared with an average of 7 or 8 for the postwar period before Stalin's death. The number of individual appearances of Presidium members and Central Committee secretaries shows an even greater increase; over 300 as compared to a previous high of 60 per year. A more personal approach to foreigners has been evident mainly in the increased attendance by Presidium members at diplomatic functions, including those in Western embassies.

(2) *Standardization of dress on the part of the leaders at most public gatherings, with Malenkov's virtual abandonment of his practice of wearing the traditional Party tunic and visored cap.* Until this year Malenkov customarily attended all functions in the Party tunic, but since May 1 he has almost always appeared in a business suit. Western style business suits and fedoras now appear to be standard for all the Presidium members and Central Committee secretaries, with the exception of Bulganin who always wears a military uniform. The standardization of dress may be primarily intended to promote the appearance of collective leadership and to

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[1]Copies of this memorandum were directed to G, C, S/P, EUR, S/MSA, U/OC, E, O, and P. A marginal notation on the source text indicates that this memorandum was not submitted to the Acting Secretary.

encourage the belief that there has been some sort of break with the Stalinist era.

(3) *Frequent use of the Kremlin for public meetings, tours, and entertainment attended by ordinary citizens.* Anticipated removal of the bodies of Lenin and Stalin and other foreign and Soviet individuals from Red Square and admittance of the public to the Kremlin presumably will diminish the concept of the Kremlin as a mighty walled fortress behind which the select one or few guide the destiny of the USSR. Rumors that the highest Soviet officials would move out of the Kremlin have been partly confirmed by Khrushchev's recent statement that the Kremlin was to be opened to the public as a museum.

W. PARK ARMSTONG, JR.

No. 629

601.6111/10-454. Telegram

The Secretary of State to the Embassy in France[1]

SECRET PRIORITY WASHINGTON, October 4, 1954—5:57 p. m.

Topol 394. US planning place in effect approximately October 15 certain travel restrictions on USSR, Hungarian and Rumanian diplomats and official representatives in addition those presently in force.[2] Motivations this action are 1) concern caused by stepped up intelligence collection activities by Soviet orbit personnel in US and 2) fact that US representatives in Soviet bloc particularly in USSR have been subjected increasing harassments in recent months in connection with travel. Effect these harassments has been to significantly reduce travel opportunities made possible by ostensible relaxation travel controls in 1953.

Restrictions will be established so as not to exceed strict reciprocity. Polish and Czech representatives not subject restrictions view absence similar restrictions on US personnel stationed those countries.

In addition present requirement for prior notification travel outside 25-mile zone from center Washington, new restrictions will set up number US interior areas which will be closed except for train travel through or air travel over them and closed zone 15 miles in

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[1]Repeated for information to Moscow as 234. Drafted jointly by Stoessel (EUR/EE) and Joseph J. Wolf, NATO Advisor (EUR/RA); cleared in EUR/EE, EUR, RA, and SCA; and signed for the Secretary by Stoessel.

[2]The Department of State on Jan. 3, 1955, announced certain additional travel restrictions on Soviet, Hungarian, and Rumanian diplomats and officials; for text of the announcement, see Department of State *Bulletin*, Jan. 31, 1955, p. 193.

depth along Canadian and Mexican borders. There will be special closed cities in open areas and open cities in closed areas.

Tass correspondents in Washington and Amtorg officials in New York will also be subject new restrictions. If queried re application restrictions to Soviet bloc UN personnel you may say this question still under consideration.

In accordance with past procedures notify NAC earliest of these pending restrictions. If discussion develops re reasons for US actions believe preferable emphasize point (2) first paragraph. If queried re point (1) you may say restrictions are only one of means being developed by US authorities to cope with increased activities by Soviet orbit personnel in collecting large amounts unclassified materials of intelligence value (maps, aerial photos, industrial data etc.). Actions we will take this regard will continue to be based on reciprocity however. (FYI we do not feel advisable become involved in detailed discussion at present in NAC of this problem. We do not plan inform NAC of other actions we will take to counter Soviet activity which will include restrictions on photography and sketching and control over access to unclassified Government publications. End FYI.)

Should it be required you may state that if USSR, Hungary or Rumania should alleviate restrictions affecting our personnel US restrictions will be similarly modified.

DULLES

No. 630

611.61/11-854: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State

SECRET PRIORITY Moscow, November 8, 1954—2 p. m.

720. Last night's reception[1] passed off without any particular incidents but developed a number of interesting features. This year Molotov repeated his performance of having a selected group of Chiefs-of-Mission sit at his table at which this time the entire Presidium with exception of Voroshilov, who did not attend reception, were seated. In addition to three Western Ambassadors, he had Burmese, Indian, Indonesian, Chinese and Pole.

After series of general toasts to guests and to peace Molotov began toasting Ambassadors individually. Toast to British Ambas-

[1] An official Soviet reception held at the Kremlin as part of the celebration of the anniversary of the Bolshevik Revolution.

sador[2] contained nothing special and latter in reply drank to health of city of Moscow. In proposing health of French Ambassador[3] Molotov said that he had the pleasantest of memories of city of Paris but he could not say the same for Paris agreements.[4] French Ambassador replied that he was here in Moscow to explain anything that bothered Molotov regarding the Paris agreements and made some reference to development of cultural relations between the two countries. When my turn came, Molotov stated that "American and Soviet diplomats had great responsibility for working towards and improvement of relations and mutual understanding between the two countries." In reply I said that since cities had been mentioned—Moscow and Paris—I would like to mention Washington and I recalled that Mr. Molotov had visited Washington in past, particularly once during war in 1942, when he had traveled under name of Mr. Brown. I drank Molotov's health as the most experienced diplomat in the room and, since no one could disagree with his statement concerning function of diplomats, to the next time he would visit Washington to that end.

The Soviet toasts, as might be expected, dealt again heavily with theme of peace and "friendship among the nations" to which all the neutralist Asians responded in glowing terms concerning Soviet Union, October Revolution and Soviet policy of peace. The Indonesian Ambassador[5] even went so far as to state that the October Revolution and subsequent progress in Soviet Union had been a great inspiration for peoples of Asia.

As last year, these toasts took place before a large crowd (including all correspondents) which pressed around table. I found opportunity after leaving table to make certain that press, in general noise and confusion, had obtained an accurate account of my toast.

Congressman Wickersham,[6] who had been successful by his own efforts in obtaining invitation from Intourist, was present and at one time or other apparently succeeded in meeting all the Soviet leaders. I was near him when he spoke to Mikoyan and he kept assuring him of desire of American people to live in peace and friendship with Soviet Union, a sentiment which I gather he repeated throughout evening.

The most interesting part of the evening came as table broke up. In going to say good-bye to Soviet officials at table, British Ambas-

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[2]Sir William Hayter.

[3]Louis Joxe.

[4]Reference is presumably to Nine-Power meetings at Paris, Oct. 20–23, and the agreements resulting therefrom; for documentation on those meetings, see vol. v, Part 2, pp. 1404 ff.

[5]Dr. Subandrio.

[6]See telegram 725, *infra*.

sador and I were almost literally buttonholed by Malenkov who held us in conversation for well over half-hour. While nothing startling emerged, it was nonetheless of considerable interest. I will report this conversation in detail in immediately following telegram. We were besieged by press after Malenkov left but I merely stated that no official business was transacted.

BOHLEN

No. 631

611.61/11-854: Telegram

The Ambassador in the Soviet Union (Bohlen) to the Department of State

SECRET PRIORITY Moscow, November 8, 1954—7 p. m.

725. Conversation with Malenkov[1] took place standing up behind table and was carried on without interpreter (Embassy telegram 720[2]). Malenkov said to both British Ambassador[3] and myself—although obviously directing his remarks to me—that in present state of world diplomats had very important responsibility, particularly in not permitting "small matters" to develop into big issues. He said that when there was "coolness at the top" between governments, minor questions were sure to arise and that patience and care were needed. (Although not so stated, it seemed to be clear that he was referring to Stiff-Sommerlatte incident[4] although he might possibly have had in mind latest plane incident.[5])

I told him that I was in complete agreement with him and that since I had been in Moscow, whenever a minor question arose, I had in every case attempted to deal with it confidentially and quietly with Soviet Foreign Office, but that I must tell him in all frankness that position taken by Soviet Government in regard to minor incidents was what sometimes caused them to be blown up into major issues. Malenkov did not dispute my statement and looked rather quizzically at Molotov who at this point joined the group. Malenkov continued, addressing both British Ambassador

[1]For a subsequent, personal assessment of this conversation, see Bohlen, *Witness to History*, p. 370.

[2]*Supra.*

[3]Sir William Hayter.

[4]On Oct. 26, the Soviet Government declared the wife of Embassy Second Secretary and Vice Consul Karl Sommerlatte to be *persona non grata.*

[5]Reference here is to Ambassador Bohlen's Nov. 8 protest regarding the downing of a U.S. B-29 aircraft by Soviet aircraft; for text of the note, a Nov. 7 Soviet note, and a Nov. 17 U.S. note, see Department of State *Bulletin*, Nov. 29, 1954, p. 811.

and myself, that also diplomats had a very important function in conveying accurately to their governments the real sentiments of the government to which they were accredited and that he hoped we understood that Soviet desire for peace and normal relations was very serious and sincere; that Soviet people and Government wanted peace in order to pursue their plans of internal development; that world situation was serious and many of the outstanding questions would take time and patience before they could be settled by negotiation which Soviet Government considered to be the only proper method of resolving disputes.

At this point, strongly supported by British Ambassador, I pointed out to Malenkov that he must understand that diplomacy operated under very special and peculiar circumstances in Moscow, mentioning almost total absence of normal contact between foreign representatives and Soviet leaders. I told him I had not asked to see him because I had no special proposals from my government to make to him and did not wish to take up his time in a purely ceremonial visit. He said that lack of contacts therefore, in my case had been because I had not sought it. Both British Ambassador and I pointed out that this was not what we had in mind, but that in other capitals there were innumerable opportunities for normal informal contacts which were not present in Moscow. Malenkov then made the interesting observation that they were trying to create "conditions" which would improve the situation in this respect.

Turning specifically to United States, Malenkov said that Soviet Government had noticed that policy pursued by President Roosevelt[6] had been reversed by United States Government and that President Roosevelt had been strongly criticized for his policy at Yalta and at other conferences. I told him that as he was undoubtedly aware, I had been Roosevelt's interpreter and had seen with what sincerity the President had attempted to find a basis for relations with the Soviet Union. I added that my views on this subject were a matter of public record which Malenkov said he realized. I went on to say that I thought Soviet Government was making a very serious mistake if it misunderstood the reason why relations between United States and Soviet Union had deteriorated and that since he had mentioned the wartime agreements, I could tell him that the American people had been greatly disillusioned by attitude of Soviet Government towards these agreements. At this point, Malenkov interjected the standard statement that Soviet Union always abided by its agreements. I told him that I had seen President Roosevelt up to a few days before his death and that he

[6]Franklin D. Roosevelt, President of the United States, Mar. 4, 1933–Apr. 12, 1945.

had been very deeply concerned at the attitude of Soviet Government concerning these agreements; that his messages in late March and April 1945 which must be in files of Soviet Government clearly reflected this concern, to which Malenkov nodded agreement. I added that Mr. Harry Hopkins directly in my presence in May 1945 had said the same thing to Marshal Stalin.[7] This led to a discussion of United States political scene on which I told Mr. Malenkov that, judging from Soviet press, I found little evidence of knowledge, to say nothing of understanding, concerning the United States and that, with reference to his statement concerning the importance of objective reporting by diplomats, I could only say that there was vast room for improvement in regard to information concerning the United States. I said I thought the constant use of the worn out clichés concerning Wall Street, et cetera, which was the image of the United States presented to Soviet people by press here was neither serious nor realistic and I could think of nothing more dangerous or incorrect than an attempt to draw a distinction between the policy of the United States and the sentiments of its people. At this point, Kaganovich who had joined the group referred to speeches and statements appearing in United States press hostile to Soviet Union and promoting the idea of war. I repeated that I thought Soviet Government could well undertake a more serious study of United States and how it functioned other than mere collection of isolated items in US press which being free, expressed a great diversity of opinion. Malenkov listened most attentively to this and merely remarked that foreigners frequently thought that leaders of Soviet Government had nothing better to do than to dictate every item in Soviet press, to which I replied that no one seriously believed that they had time to devote to every detail in the press but I had noticed a certain consistency of treatment on any given subject. In urging Malenkov to a more realistic appraisal of US, its purposes and policies, I mentioned that our political scene was somewhat more "complicated" than his, to which he laughed and agreed.

Malenkov with appearance of great earnestness said to both British Ambassador and myself that it was frequently believed that Soviet Union in attempting to improve its relations with England was doing so "at the expense" of its relations with US. He said that this was not "solid" or serious and that Soviet Government was not so foolish as to try so stupid a game as this. He said there were apparently greater possibilities in some fields than in others but

[7]Regarding the mission to Moscow in May 1945 by Harry L. Hopkins, Adviser and Assistant to President Harry S. Truman, see *Foreign Relations*, The Conference of Berlin (The Potsdam Conference), 1945, vol. I, pp. 21–62.

emphasized that Soviet Government desired to have normal and good relations with all countries. At one point the Paris agreements came up and he said that they believed something should be done "before their ratification", to which I replied that we believed prospects for normalization of relations would be better after their entry into force. He did not pursue the subject any further.

As indicated previously, there was nothing startling or especially new in this conversation with Malenkov but it was singularly free, on his side, of usual mechanical clichés which other Soviet officials including Molotov invariably use. He seemed particularly desirous of impressing upon us seriousness with which Soviet Union viewed world scene and of its desire to prevent it turning into war. He made on me an impression of a man of great determination and ruthlessness but with a more subtle and highly developed intelligence than his associates.

I mentioned to him casually during conversation that there was possibility that I might be returning to Washington for routine consultation following my trip to Sweden. I did so in order avoid any impression when it became known that it was due to sudden emergency decision on part US Government.

Although I was not present I gather that in his talk with Congressman Wickersham Malenkov sent message to President Eisenhower concerning Soviet desire for friendship good relations et cetera, together with an expression of his personal esteem for the President as "a fine soldier and an honorable man." As understood by some members of staff who were present, on departing, Malenkov said to Wickersham that "as situation stands now, we are ready to turn back to US".

French Ambassador[8] told me also that Khrushchev (who as far as I could gather is not especially bright) said that if Paris agreements went into effect, Soviet Union would have to embark on larger defense program, to which French Ambassador replied he doubted it since they had never let up on their military preparations since end of war.

While obviously exchanges at reception of this character are traditional and do not have any direct bearing on Soviet policy, there is no doubt that last night Soviet officials went out of their way, particularly in regard to US, to emphasize seriousness of their desire for normal relations. The attitude of Malenkov and other Soviet officials together with restrained tone of speeches over holidays I believe reflect the hesitancy and concern of Soviet Government when confronted with situation, particularly in regard to

[8]Louis Joxe.

West German rearmament, which they realize are not in position to do much about.

BOHLEN

No. 632

661.93/11-2354: Circular airgram

The Secretary of State to All Diplomatic and Consular Missions[1]

CONFIDENTIAL WASHINGTON, November 23, 1954
CA-3400

Subject: Counteracting Possible Misinterpretation of Recent Sino-Soviet Accords

Some reports reaching the Department have interpreted the Sino-Soviet communiqués of October 12, 1954[2] as (1) a significant shift in Sino-Soviet relations in favor of China, or (2) as an indication of a struggle between the two Communist powers, out of which China has emerged victorious. The Department feels that these ideas are erroneous and that their acceptance might lead to a dangerous over-evaluation of Communist China's strength and willingness to follow courses of independent action. The following observations are therefore made for the guidance of officers in the field in discussing the agreements with their contacts among foreign officials, subject to the discretion of the field and to the general caution that United States officials should not give these communiqués undue importance by calling special attention to them.

The communiqués must be considered from two viewpoints: (1) the impression they were calculated to give to the world, particularly Asia, (2) how they mirror Sino-Soviet relations. Without doubt the communiqués were designed to give the impression that Communist China enjoys a new degree of independence from and equality with the Soviet Union. In particular, they were designed to (a) heighten Communist China's prestige in order to strengthen her in her drive for a leadership in Asia and for recognition as a world power (through admission to the United Nations and by diplomatic recognition by other states), and (b) to promote the current Com-

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[1]Drafted by Walter P. McConaughy and Edwin W. Martin, Director and Deputy Director, respectively, of the Office of Chinese Affairs (CA), and by David L. Osborne (CA) and Robert O. Blake (EE); cleared by Assistant Secretary of State for Far Eastern Affairs Walter S. Robertson and Merchant (EUR); and approved for transmission by Deputy Under Secretary Robert Murphy.

[2]Telegram 530 from Moscow, Oct. 12, reported a description of the eight communiqués and joint declarations that constituted the Soviet-Chinese agreements of Oct. 12. The translated texts of these agreements are printed in *Documents* (R.I.I.A.) for 1954, pp. 321-327.

munist theme of peaceful coexistence by encouraging the belief that close association with the Communist bloc is compatible with sovereignty and independence and does not entail subservience to Moscow.

Further, it was probably in the interest of both powers for the purposes of the advancement of the Communist movement in Asia, to give the impression that the Soviets have now accorded a position of approximate equality to China. Thus, a liquidation of Soviet footholds in China which had been often interpreted by sensitive Asians as European extra-territoriality was dramatically announced in the communiqués. Apart from this intention to foster the impression that the Communist Chinese regime has been accorded a position of approximate equality, the agreements did not reveal anything essentially new; the scheduled withdrawal of Soviet troops merely implemented a commitment given in 1950; the level of economic aid announced continues to be niggardly; the liquidation of the joint stock companies followed a pattern already well underway in the Eastern European Communist bloc.

The new agreements although designed to have maximum propaganda usefulness, may reflect some real, though not fundamental, adjustments in the relations between the two regimes. There is no reason to believe that any readjustment put a serious strain on the partnership, which is based on strong ties of ideology, common objectives, and shared hostility to the free world. Communist China continues to accept the role of a junior partner in the coalition, because of the Soviet Union's greater economic and diplomatic experience and its possession of the sinews of power, economic, political, and military resources. The communiqués reflect the continuing Soviet acknowledgment that Communist China occupies a more important and independent position in the Communist hierarchy than do the Soviet Union's Eastern European satellites. It seems certain that the Soviet Union, in its own national interests and in order to maintain its supremacy in the world of Communism, attaches high importance to its paramount position in China. This influence is asserted by "advice" given through party channels, and Soviet aid programs and technical advisers.

The communiqués present the picture of a common front on foreign affairs. There are, however, at least two indications of some degree of Soviet uneasiness in this field. A special point was made, in the guise of mutually-assumed obligations, to commit the Chinese Government to consultation with the Soviet Government on all aspects of policy which might be of mutual interest. This stress on mutual consultation probably was sought as a general check on Chinese Communist foreign policy. The language used in referring to Formosa, noticeably milder than that habitually employed by

Chinese Communists, may reflect the Soviet Union's concern lest Communist China take action dangerous to Soviet security on the Formosa question. Other signs would seem to confirm the impression that the Soviet Government looks with less enthusiasm than does the Chinese Communist regime on a potentially dangerous breach of the peace in the Far East.

In summation, however, despite the above indications of differences of emphasis on policy matters, and despite Communist China's "junior partner" status, it should be emphasized that these communiqués reflect the high degree of identification which characterizes the interests and objectives of the Soviet Union and the Peiping regime. Every effort must be made to emphasize this unity of purpose, as well as the basic unchanging dedication of the two regimes to the creation of a Communist-dominated world through coordinated subversion.

DULLES

YUGOSLAVIA

UNITED STATES EFFORTS TO SUPPORT THE INDEPENDENCE OF YUGOSLAVIA THROUGH MILITARY AND ECONOMIC ASSISTANCE PROGRAMS AND THROUGH THE ENCOURAGEMENT OF EXPANDED RELATIONS WITH THE WEST;[1] UNITED STATES ATTITUDE TOWARD THE NORMALIZATION OF RELATIONS BETWEEN YUGOSLAVIA AND THE SOVIET UNION AND TOWARD THE TIES BETWEEN YUGOSLAVIA AND NONALIGNED NATIONS

No. 633

INR–NIE files

National Intelligence Estimate[2]

SECRET
NIE–29/2

[WASHINGTON,] January 4, 1952.

PROBABLE DEVELOPMENTS IN YUGOSLAVIA AND THE LIKELIHOOD OF ATTACK UPON YUGOSLAVIA, THROUGH 1952[3]

THE PROBLEM

To estimate probable developments in Yugoslavia and the likelihood of attack upon Yugoslavia, through 1952.

CONCLUSIONS

1. The present Communist regime in Yugoslavia will probably retain control over the country during the period of this estimate.[4]

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[1]For previous documentation on this subject, see *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1677 ff.

[2]National Intelligence Estimates (NIEs) were high-level interdepartmental reports presenting authoritative appraisals of vital foreign policy problems. NIEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental working groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the National Security Council. The Department of State provided all political and some economic sections of NIEs.

[3]According to a note on the cover sheet, "The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the Central Intelligence Agency in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 29 December."

[4]The Director of Intelligence, USAF, prefers the following wording:

Continued

2. Although the regime has officially refused to modify its goal of an industrialized and collectivized economy there will probably be slight and temporary readjustments within the period of this estimate.

3. It is unlikely that present dissatisfaction among the peasants and discontent within the middle and lower ranks of the Yugoslav Communist Party will reach the point of seriously weakening the regime.

4. The assassination or death of Tito would weaken the regime and would afford added opportunity for the USSR to exploit political confusion and discontent, but would be unlikely to break the regime's hold over the country or to produce fundamental changes in its foreign or domestic policies.[5]

5. Although the Cominform will continue its efforts to overthrow the regime, these efforts will probably fail.

6. If the adjacent Satellites, with Soviet logistic support, should attack before 1953, they could at least drive the Yugoslav forces from the plain area generally north and east of the Danube. The Yugoslav forces probably could not maintain effective organized resistance even in the mountainous area for an extended period unless adequately supported logistically from the outside. Guerrilla warfare would almost certainly continue should organized resistance cease.

7. The evidence of growing cooperation between Yugoslavia and the Western Powers has probably convinced the USSR that an attack by the adjacent Satellites would involve not only serious risk of war between the US or UN and these Satellites, but also the danger that such a conflict would develop into a general war.

8. On the basis of the foregoing, we believe that an attack upon Yugoslavia in 1952 is unlikely.[6]

"Barring a Soviet-Satellite attack, the present Communist regime in Yugoslavia will probably retain control over the country during the period of this estimate." [Footnote in the source text.]

[5]The Director Joint Intelligence Group, prefers the following:

"4. The assassination or death of Tito would so weaken the regime that almost anything could happen. It is possible that his present assistants could promptly stabilize the situation without any fundamental change of policy. But it is equally possible that the CPY could be torn to pieces and emerge as a regime subservient to Russia." [Footnote in the source text.]

[6]The Assistant Chief of Staff, G-2, Department of the Army dissents from this paragraph and would replace it by the following:

"8. During 1951 the Satellites adjacent to Yugoslavia achieved the capability of attacking Yugoslavia provided they are given logistic support by the USSR. Despite this capability, we believe it unlikely that Yugoslavia will be attacked during 1952 unless the USSR is prepared to accept general war. However, there is a continuing possibility that unforeseen political events and/or miscalculation by the Soviets might precipitate hostilities in Yugoslavia, intended to be localized, but which could

Continued

[Here follows the "Discussion" section, comprising paragraphs 9–33.]

expand into general war. We conclude therefore, that there is a serious possibility of an attack on Yugoslavia during 1952." [Footnote in the source text.]

No. 634

EE files, lot 67 D 238, "Yugoslavia military talks"

The Deputy Under Secretary of State (Matthews) to the Secretary of Defense (Lovett)[1]

TOP SECRET [WASHINGTON,] February 16, 1952.

MY DEAR MR. SECRETARY: You will recall that, at the last political-military meeting with the British on the subject of planning in respect to Yugoslavia, which was held on November 12, 1951, the British indicated that they wished to consult London again on a number of points raised by our proposals. These were set forth in the position paper agreed to by the Department and the Joint Chiefs of Staff and transmitted to the Secretary of State by your letter of October 22, 1951.[2] The British have now indicated that they are ready to resume these talks, and wish to do so as a matter of urgency. They are also being pressed by the French, who are apparently aware that talks have been initiated and wish to be informed concerning them.

From informal advice which we have received from the British Embassy we understand that the British military side has developed a four point program which they believe provides an appropriate procedural basis to enable us to move forward towards the desired planning. We are not informed as to whether this program has the endorsement of the British Government or represents only the views of the British Joint Chiefs, but believe it a safe assumption that the former is the case. These four points, as they have been outlined to us, are as follows: (1) a proposal to initiate military planning should not now be presented to NATO; (2) we and the British should immediately bring the French into the planning picture; (3) as soon as agreement has been reached with the French, the three Ambassadors in Belgrade should approach Marshal Tito and inform him, on behalf of the three powers, that the latter are desirous of discussing these matters with Yugoslav officials through an appropriate military representative of the three

[1] Drafted by Marcy.

[2] Neither the position paper nor the covering letter referred to is printed.

powers (Admiral Carney); and (4) following this advice to Tito, Admiral Carney should, on behalf of the three powers, bring the Italians up-to-date and immediately initiate the planned technical discussions.

You will note that this procedure is not in conformity with that mutually agreed to be desirable by State and Defense last fall, and set forth in the paper referred to. However, since the differences are largely procedural, and in view of the urgent necessity of getting ahead with planning in reference to Yugoslavia, we would be prepared, providing of course you are in agreement, to accede to the British view on this aspect of the matter, with the minor exception that we feel Admiral Carney should bring the Italians up-to-date before the approach is made to Tito. I would, therefore, appreciate it if you would ascertain whether the Joint Chiefs of Staff wish to stand firm on the position adopted last fall or whether, in view of the urgency involved, they are prepared to accept a formula along the above lines, leaving minor matters such as that of timing mentioned above to be ironed out in the next meeting with the British.

Since, in addition to the procedural problem referred to, there are several substantive matters concerning which agreement remains to be reached with the British, if the Joint Chiefs of Staff are prepared to go along with this procedural suggestion we would propose to call another political-military meeting at the earliest possible moment in order to receive the British reaction to our proposals and endeavor to reach some agreement on the basis of which we may move forward.[3]

Sincerely yours,

H. FREEMAN MATTHEWS

[3]No record has been found in Department of State files of a reply to this letter. For a summary transcript of the political-military meeting between British and U.S. representatives regarding Yugoslavia, held on Apr. 16, see Document 639.

No. 635

Editorial Note

On February 29, the British and French Ambassadors in Belgrade and United States Chargé Jacob Beam jointly submitted an *aide-mémoire* to the Yugoslav Government, which indicated that their governments had decided to make available to Yugoslavia an amount of $45 million as a final allocation of economic assistance for the 12 months ending June 30, 1952, in addition to the $75 million already allocated. Of the $45 million to be made available, the

United States was to furnish $29.25 million, the United Kingdom the equivalent of $10.35 million, and France the equivalent of $5.4 million. The text of the *aide-mémoire* was sent to Belgrade in telegram 855, February 28. (768.5/2-2852)

No. 636

Yugoslav Desk files, lot 59 D 383, "Washington Conference"

Memorandum of Conversation, by James Colbert of the Office of Eastern European Affairs

CONFIDENTIAL [WASHINGTON,] March 7, 1952.

Subject: Discussion with Ambassador Allen on Yugoslavia Economic Assistance

Participants: Ambassador George V. Allen, US Ambassador to Yugoslavia
George Truesdell, EE
James L. Colbert, EE
Jules Katz, EE
Oliver Marcy, EE
Robert Johnson

The Ambassador inquired as to what the underlying reasons were for continuing a tripartite arrangement. He mentioned that he had been considering prior to his departure from Belgrade sending in a rather strong cable suggesting the discontinuance of the tripartite arrangement. The political and policy reasons described in various US papers were briefly summarized for the Ambassador by Mr. Truesdell. Other practical and operational reasons were mentioned in support of the continuance in the tripartite scheme. It was explained that participation by the British and the French would supplement the quite limited amounts of assistance which the US would be able to furnish, particularly in view of the likely Congressional cut. It was also explained that it was the hope of the US Delegation that if the agreement of the US Government was secured in the arrangement with the British and French to furnish aid to Yugoslavia, the observance of this agreement by the US in the event of a substantial overall cut by Congress for European aid would make it difficult, if not impossible, to go below the minimum agreed on with the British and the French. Such an argument would not exist if the tripartite arrangement were abandoned.

Ambassador Allen stated his position as being that if it were necessary to apply extensive controls on assistance to Yugoslavia as opposed to giving them no aid, he would prefer to furnish no aid.

Mr. Truesdell said that he felt that the sense of the conference was to the effect that the working relations with Yugoslavia could be on the basis of good faith and mutual cooperation. It was also planned that many of the points of coordination and control could be covered and the coordination process in effect clearly defined at the discussions in the conference, and this would leave considerable subsequent latitude to the three governments. The Ambassador asked whether it appeared that each government could be given the freedom to evaluate whether Yugoslavia lived up to its commitments.

Ambassador Allen explained to the group his general feeling that it was certainly more in US interest to continue a three country arrangement than one solely with the British. He mentioned that one aspect of the arrangement was that in the event of the US falling short through lack of funds or for administrative reasons on a commitment the reaction by the Yugoslavs to such an unavoidable situation was absorbed tripartitely. It should be mentioned here for the record that the Ambassador had previously expressed his dislike for a tripartite arrangement which would cause the US role in Yugoslavia to assume the same guise that our position had in other countries in the Near East, that is that the US appeared to the Yugoslav people to be dominated by and following the lead of the British with respect to economic policy. He felt that at all costs we should avoid any situation arising in respect to provision of assistance to Yugoslavia where our action might be interpreted as being tied to the British kite.

No. 637

768.5 MSP/3–1952

Memorandum by Robert P. Joyce of the Policy Planning Staff to the Assistant Secretary of State for European Affairs (Perkins)[1]

SECRET [WASHINGTON,] March 19, 1952.

Subject: Meeting with Yugoslav Ambassador Popovic and Yugoslav Minister of Industry Vukmanovic[2]

Ambassador Popovic asked me to luncheon at the Yugoslav Embassy on Monday, March 17. The only other American present was Mr. Averell Harriman. Only Popovic, Minister of Industry Vukmanovic and Yugoslav First Secretary (interpreter) Bruner were present at the luncheon and the discussion lasting one hour and a half which followed.

The obvious purpose of the luncheon was to arrange a conversation between Vukmanovic and Mr. Harriman and to enlist the latter's support in the Yugoslav efforts to obtain financial and economic assistance from the West. There was a great deal of discussion about Yugoslavia's economic position from which nothing particularly new emerged. Several points were brought out, however, which may be of interest to you and are set forth below. Mr. Harriman stated that he had been completely involved in the MSA hearings in Congress and that he had not been able to brief himself on the present position relating to the tripartite negotiations with the Yugoslavs with regard to economic and financial assistance.

Vukmanovic and Popovic stated that the situation had presently reached something of a dead center in that the tripartite negotiations seemed not to be moving forward in a favorable sense for the Yugoslavs and this fact conditioned and held up important parts of the long-range program which the Yugoslavs had negotiated with the World Bank. He added somewhat bitterly that the British now seemed to be putting great stress on the exploitation of Yugoslav national resources rather than programs which would permit the

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[1]Also addressed to Bonbright. In an attached, undated, handwritten note to the two addressees, Joyce wrote that he had thought Popović was giving the usual social lunch for Vukmanović and he had not thought it was "an operation aimed at Averell." He said he did not know why he had been invited. He also assured Perkins and Bonbright that he was "an unwilling operator in this field" and expressed his hope that they and EE did not feel that he was "barging in." He indicated on this note that he was sending a copy of the memorandum to EE.

[2]A delegation headed by Minister of Industry Svetozar Vukmanović-Tempo had arrived in the United States on Feb. 8 on an unofficial visit. The Yugoslav Delegation visited the Tennessee Valley Authority and various industrial plants in the South and Midwest. Documentation on the origin and planning of the Vukmanović-Tempo visit is in file 611.68.

Yugoslavs to industrialize. He said, for example, the British were pushing for a vastly expanded lumber industry and if the Yugoslavs followed British suggestions in this regard it would mean the complete de-forestation of Yugoslavia in a period of about a decade. He added that the Yugoslavs desired to obtain industrial equipment such as paper mills and "viscose" machinery which would permit them to develop their own exploitation of forest resources in an orderly manner. The British only seemed to be interested in obtaining lumber and other raw materials from Yugoslavia.

Mr. Harriman stated that he would brief himself on the present status of the tripartite negotiations but he was careful not to make any commitments one way or the other to the Yugoslavs although he appeared to be generally sympathetic with their position.

Asked by Mr. Harriman what his impressions were of his visits to American industrial plants and what his general impressions were of the United States, Mr. Vukmanovic stated that they were very favorable indeed and that he had learned a lot. He said that most of the American industrialists he had met had been open and sympathetic but that some of them had exhibited suspicions as to the genuineness of the break between Belgrade and Moscow. He added that the DuPont people had shown him absolutely nothing and had generally been unsympathetic. This secretive attitude somewhat astounded Vukmanovic who commented that he was, after all, only a lawyer by trade and in any event a quick look at some of the DuPont plants would not make him capable of giving away any production secrets as he was a rank amateur in that field.

Asked what his impressions were generally of the United States and "American capitalism" and whether what he saw confirmed his previous ideas, Vukmanovic laughed heartily and said that his education had been almost entirely in Russian communist ideology and certainly conditions in this country did not conform to communist stereotypes. He added that the only times he had left his own country previous to this trip were to visit the Soviet Union for a couple of weeks plus a brief trip to Switzerland a year or two ago. He added that he was almost entirely ignorant of what the West was really like and that this trip had been an eye-opener for him.

Vukmanovic, backed up by Popovic, then proceeded to discourse on the beauties of private initiative and he said that the Russians were wrong in thinking that slave labor and complete state control of all economic activity was the answer to more production. He said that in Yugoslavia they had learned that the Kolkhoz system which they had tried to apply in Yugoslavia following the Russian model, was no good. He stated that they were now planning along the lines of voluntary cooperatives to increase agricultural produc-

tion. Mr. Harriman then stated that in the United States the application of machinery and the role of the federal, state and county governments had vastly increased agricultural productivity here. He added that the role of the state in agriculture should not be minimized in this country but that this role had been one of technical advice, suggestions and specific assistance to farmers.

In response to Vukmanovic's question as to what he thought of the Yugoslav industrialization program in general, Mr. Harriman replied that his impression was that the Yugoslavs had been trying to do too much in too short a time to industrialize their country. He believed that a more modest program would be better with the emphasis on those industries and the development of industrial production which would within the next few years start to pay off and thus place Yugoslavia in a better foreign trade position. In short, the Yugoslavs might have set their sights too high and placed too much emphasis on long-range and costly programs which had led to half-completed plans and industries which would not be productive for many years. Mr. Harriman also spoke of the necessity of educating workers in the techniques of modern industry. Messrs. Vukmanovic and Popovic appeared to agree with Mr. Harriman.

Vukmanovic stated that he would recommend upon his return to Belgrade that there should be a stepped-up exchange on the economic and industrial level between his country and the West, particularly the United States. He said that he was in favor of large numbers of Yugoslavs coming to this country to learn industrial techniques and he thought that his Government should obtain the services of American technicians to assist the Yugoslavs in their own country.

Mr. Vukmanovic asked Mr. Harriman's impressions of how he thought things in general were going in Yugoslavia. Mr. Harriman replied that he had only visited Yugoslavia twice, once in 1927 and the next time very briefly in 1951 when he had met Marshal Tito. He went on to say that the Yugoslavs were all working very hard and were determined to protect the independence of their country from foreign aggression. He added something to the effect that the political situation appeared to him to be sound and the country united. Mr. Harriman asked me whether I agreed with him and I replied "not quite".

I pointed out to Mr. Vukmanovic that perhaps some of the coldness which he had observed in this country toward him and his Government was due to the fact that Americans were attached to the ideas of basic human freedoms and that his country was a communist dictatorship. I added that it had been noted in this country that the regime in Belgrade during the past four years had been

liberalizing itself and playing with Western ideas of freedom and the basic rights of the individual. It appeared to some observers, however, that the Yugoslav Government is something like the woman who was intrigued by the idea of having an affair but at the same time insisting on maintaining her virtue. Vukmanovic and Popovic laughed uproariously at this analogy. I added that some American observers of the Yugoslav scene were of the opinion that the Yugoslav Government could be essentially stronger, tougher and in a better position to defend the country against its enemies should there be a wider extension of freedom.

Mr. Vukmanovic gave the stock Yugoslav reply to the effect that Yugoslavia was surrounded by bitter enemies and that the State must at this time exercise many controls etc. He added that the Americans could be assured that it was the policy of the regime, when the international situation was somewhat less dangerous, to grant more and more individual liberties and that the record of the past four years proved this. We did not pursue this subject further nor was there any discussion of communism.

When we left the Yugoslav Embassy, I said to Mr. Harriman that I hoped that he did not mind my saying what I did as there was a great deal of evidence to show that

1) the Police State in Yugoslavia was a present reality and totalitarian tactics very much still existed;
2) the Yugoslav people were discontented and the vast majority were disaffected, against the regime and only the threat of invasion from abroad or a Cominform take-over from within enabled Tito and the Yugoslav Communist Party to keep the lid on; and
3) many observers considered that should Yugoslavia be attacked, the Yugoslav army and the people as a whole might offer only half-hearted assistance so great was their opposition, particularly on the part of the peasants, to the communist regime.

I added that I thought we might continue to needle the Yugoslavs from time to time so that they might not operate under any false ideas that this Government had any love for the regime as such. I said that very recently Tito had made speeches and orders had gone out through the apparatus of the Yugoslav Communist Party to the effect that communist ideology should be strengthened and the growth of "Western ideas" should be combatted vigorously throughout the country. There was a despatch from Meyer Handler from Belgrade in the *New York Times* that morning to the effect that at a meeting of the National Students Union in Zagreb, the Yugoslav CP had stated that Western concepts as opposed to communist concepts were no longer to be tolerated and the "enemies of Socialism" were to be combatted with the greatest vigilance. Tito himself then stated: "We are being washed by the waves of petty

bourgeois ideas from the West." Another Yugoslav CP leader had urged the students to study Marxism and insisted that more attention be paid to dialectical materialism in the medical schools as well as in the schools where the exact sciences are studied.

ROBERT P. JOYCE

No. 638

State-JCS Meetings, lot 61 D 417, "April 1952"

Memorandum of Discussion at the Department of State–Joint Chiefs of Staff Meeting, Washington, April 9, 1952[1]

TOP SECRET

PRESENT

General Bradley	Mr. Nitze
Admiral Fechteler	Mr. Bohlen
General Hull	Mr. Perkins
General Twining	Mr. Allison
General Bolte	Mr. Ferguson
General Fox	Mr. Barber
General Thatcher	Mr. Stelle
General Eddleman	Mr. Tufts
Admiral Fife	Mr. Lay
General Cabell	
Admiral Lalor	
Colonel Carns	

Yugoslavia

Mr. Perkins: General Bradley, I believe you had something on your mind about Yugoslavia.

General Bradley: As we see it, there is no reason why the discussions cannot proceed at once.[2] There are some minor points of difference but on the whole I think we can proceed as the British suggest.

Mr. Perkins: We have a paper with us which brings the matter up to date.[3]

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[1]The meeting was held at the Pentagon at 11 a. m. A note on the source text indicates that it was a Department of State draft which had not been cleared with any of the participants.

[2]Reference is to the politico-military talks with British representatives in Washington which took place Apr. 16. A summary transcript of the discussion at this meeting is *infra*.

[3]Presumably reference is to the negotiating paper drafted by Marcy, Campbell, and Barbour for the politico-military talks with the British on planning for Yugo-

Continued

General Bradley: General Collins will be our representative. General Eddleman has done and will do most of the detail work. General Collins will be back late this week.

Mr. Perkins: I will get in touch with General Eddleman and will try to arrange with him for a meeting early next week. I will give General Eddleman a copy of our paper.

General Bolte: I might note that I saw Popovic last evening. He was feeling quite upset. He thinks that Yugoslavia is being left out in the cold.

Mr. Perkins: Was he referring to Trieste?

General Bolte: No, he almost conceded Trieste to Italy. He was upset about the relationship between Yugoslavia and the Western Powers in general—NATO, military assistance, etc. He was really very upset.

General Bradley: Did you ask him where Yugoslavia was two years ago?

General Bolte: I myself wound up in 1945 with my machine guns across from his.

Mr. Bohlen: They have tried to jump Trieste since then, too.

Mr. Perkins: Our paper sets forth the modifications in the previous position.

Mr. Nitze: I believe there are three points, two substantive and one procedural. In the first place I take it that we do not want to make a commitment one way or another with respect to the putting of ground forces into Yugoslavia. The second point concerns Albania. The third point is the procedural one of how to get talks going with the Yugoslavs.

General Bradley: One question which we will have to discuss is whether we ought to get this problem into NATO promptly. I don't think we want NATO to take the problem up too soon—partly in order to protect the Yugoslavs. One of the difficulties with NATO is that so many countries hear about a matter that is discussed there.

Mr. Perkins: Putting it into NATO immediately involves the Greeks now and I am sure that the Yugoslavs wouldn't like that.

General Bradley: The Greeks and the Yugoslavs logically ought to be tied together. They ought to be doing some joint planning.

Mr. Perkins: I don't think we will have any difficulty in agreeing with you about the NATO angle. I do think we will have to talk with the Italians and the French before discussing the matter with the Yugoslavs. In my judgment we ought to go ahead with the

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slavia. A copy of this paper, which bears the drafting date of Apr. 8 and also the notation that it was used in the Apr. 16 discussion, is in PPS files, lot 64 D 563, "Yugoslavia."

Yugoslav staff talks promptly and I think we ought to separate the Albanian problem from it for the time being. We have a position on this latter problem which has now been almost cleared through the Department. We will send it over to you.[4]

General Hull: I take it Admiral Carney would be our representative.

General Bradley: Yes, he will. In the first instance he will wear his U.S. hat and subsequently his NATO hat.

(Mr. Dulles and Mr. Wisner of CIA and Mr. Nash entered the meeting.)

[Here follows discussion of Formosa.]

[4]Not printed.

No. 639

EE files, lot 67 D 238, "Yugoslavia military talks"

Summary Transcript of Discussion at a United States-British Politico-Military Meeting, Washington, April 16, 1952[1]

TOP SECRET

Participants:

British Embassy:
Sir Christopher Steel, Minister
Mr. I. F. Porter, First Secretary

British Military:
Admiral Pennant
Brigadier Price
Lt. Colonel R. H. C. Bryers

United States Military:
General J. Lawton Collins
Major General Clyde Eddleman
Lt. Colonel T. J. Camp

State Department:
Mr. H. Freeman Matthews, Deputy Under Secretary of State
Mr. George W. Perkins, Assistant Secretary of State
Mr. Paul H. Nitze, Director, Policy Planning Staff
Mr. Walworth Barbour, Director, Eastern European Affairs
Mr. Oliver M. Marcy

[1]Drafted by Marcy and Camp. The meeting was held at the Department of State from 3 to 3:45 p.m.

Mr. Matthews opened the meeting by remarking that he understood that as a result of the previous politico-military meeting on November 12 there were three principal problems concerning which the British had wished to consult London. As Mr. Matthews recalled the three major issues were (1) procedure; (2) Albania and (3) the question of the commitment of (token) troops. He inquired whether Sir Christopher Steel would like to set forth the present British view on these issues.

Sir Christopher Steel remarked that the British impression was that the principal issue remaining between the US and UK was that of procedure. The other issues would largely find their solution once the procedural aspect was agreed. . . . It was Sir Christopher's impression that this had been, in general, agreed between the US and UK at the time of the Churchill visit.[2]

The British view, according to Sir Christopher, is that it is now essential to bring in France. If the United States agrees there remains primarily the question of how to do so. The Foreign Office idea is that it would be appropriate for the United States formally to approach both the UK and France and propose discussions between the three powers.

Following some discussion between both sides as to whether or not the French in fact realize that discussions have been going on between the United States and the UK in reference to Yugoslavia, Messrs. Matthews and Perkins indicated agreement with the British suggestion: Generals Collins and Eddleman concurring.

Sir Christopher Steel then raised the question of the procedure and timing of the actual proposal to Tito, continuing that it was the Foreign Office's idea that the three Ambassadors in Belgrade should be instructed, in whatever manner they deemed appropriate (either as a group, or by deputizing one) to approach Tito in the premises.

Mr. Matthews mentioned that in the US view we must inform the Italians of what we propose to do before we actually approach Tito. Sir Christopher replied that the British had thought of informing the Italians after we had some indication as to whether or not Tito is willing to play. Mr. Perkins elaborated on Mr. Matthews' remark, pointing out that we wish merely to inform the Italians of what we intend to do, not to offer them participation in the approach. To this Sir Christopher replied that in his view this question depended to a certain extent on how the approach to Tito developed. Following the approach of the three Ambassadors, if Tito, for example, wished to send a representative to London or

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[2]For documentation regarding the visit of Prime Minister Churchill to the United States, Jan. 5–18, 1952, see vol. VI, Part 1, pp. 693 ff.

some other place outside Yugoslavia that was one thing. If, on the other hand, it was proposed that Admiral Carney either go himself or send someone to Yugoslavia that was another. Sir Christopher felt that if Admiral Carney was to conduct the talks he could, with his special relations with the Italians, tell them what we were doing on his level. That shouldn't, in his view, bother the Italians too much.

At this juncture Mr. Perkins reverted to the approach made by Admiral Carney a year ago[3] and some discussion followed as to whether or not Admiral Carney had actually talked with the Italians . . . . It was the consensus, and General Collins stated that he was certain, that Admiral Carney had not actually spoken with the Italians on the substance of this matter.

Sir Christopher Steel then noted that if Tito rejected our approach, for example asserting that Italo-Yugoslav relations over Trieste were such that he could not proceed, the three powers would be embarrassed by having previously informed the Italians of our intentions: the Italians could make good use of such a development. To this General Collins replied that that would, of course, be true but that in fact both British and American representatives, General Collins included, had spoken with the Yugoslavs on this general issue and that the Yugoslavs seemed favorably disposed. Among other things, when General Popovic traveled to both the United States and the UK last year he had indicated general Yugoslav preparedness to enter into such discussions. To Sir Christopher Steel's comment that the conversation with General Popovic had to deal primarily with material support to Yugoslavia, Messrs. Matthews and Collins agreed. . . .

Mr. Matthews then suggested that the approach to Tito might be done at the same time as the Italians are informed of our intention, to which Mr. Perkins agreed. Sir Christopher Steel reverted to the idea that if Admiral Carney were himself to make the approach to both the Yugoslavs and Italians, the approach to the latter could be accomplished with less political emphasis. General Collins noted that from the military point of view there was certainly no objection to this, particularly since the JCS feels it is essential for Admiral Carney to get into this problem as quickly as possible. He pointed out that the Joint Chiefs of Staff can not themselves speak for General Eisenhower's headquarters. Admiral Carney in effect wears two hats. Unfortunately, in the approach to Tito he cannot go as General Eisenhower's representative, but would be acting only on behalf of the three powers.

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[3]This approach has not been further identified.

Sir Christopher, agreeing that Admiral Carney would represent the three countries, stated that he thought it would work if the three Ambassadors made their approach and Admiral Carney spoke to the Italians before actually entering into discussions with the Yugoslavs.

General Eddleman then suggested that a compromise be reached involving an informal approach to Tito to see if he is willing prior to approaching the Italians, and finally a formal approach to Tito. To this, Sir Christopher remarked that in any event and in all approaches to both the Yugoslavs and the Italians we would wish to be as informal and confidential as possible: the Ambassadors could work out the formula. General Collins then posed the question as to whether it was better to make the approach to the Italians through Admiral Carney or on a diplomatic level, pointing out that if Admiral Carney made the approach the US and UK Governments on the political level might be embarrassed. The Italians might find it strange and resent that an initial approach had not been made through normal diplomatic channels.

Following Sir Christopher Steel's remark that it was his personal thought that it would be less conspicuous if Admiral Carney made the approach, Mr. Matthews inquired what Messrs. Perkins and Barbour thought of General Collins' idea. The latter agreed that there was merit in the suggestion of an approach on the Ambassadorial level in Rome, and Mr. Barbour pointed out that such an approach would be on a par with the approach to the Yugoslavs. General Collins added that he could foresee possible difficulties between Admiral Carney and his Italian Service colleagues, as he would be getting into the political field. An Ambassadorial approach, on the other hand, would smooth the relationship between Admiral Carney and Italian political and military leaders. He therefore tended to believe it would be preferable to have the Ambassadors make the approach. Mr. Barbour noted that it might be preferable to have one Ambassador make the approach on behalf of all three, to which Sir Christopher Steel replied that this might also well be left to the discretion of the Ambassadors.

Sir Christopher Steel remarked that he did not know whether HMG felt strongly on this issue but that he was prepared to put the United States view to the Foreign Office.

Mr. Matthews stated that he agreed to the Ambassadorial approach. Sir Christopher agreed to Mr. Barbour's comment that there should be no publicity, and then summed up that we should: (1) go to Tito; (2) advise the Italians through the Ambassadors, in such form as they desire; and (3) instruct Admiral Carney to enter into discussions with the Yugoslavs in whatever manner he felt appropriate. He might not wish himself to go to Yugoslavia in the

first instance, but rather to send a representative. To this General Collins replied that he thought Admiral Carney might well wish to go to Yugoslavia himself, and that he was certain from the Yugoslav point of view they would wish to talk to Admiral Carney. It was generally agreed that this question be left to Admiral Carney to work out with Tito, and should be left as flexible as possible. It might well work out that Tito would wish to send a representative outside Yugoslavia for the first contact. In any event, the three Ambassadors in their approach to Tito would emphasize that it was the Three Powers' desire that the talks should ultimately be carried on by Admiral Carney.

Sir Christopher Steel then emphasized that when Admiral Carney goes he should go as a representative of the Three Powers and not of the Italians, although the Italians would, of course, know about the approach. General Collins raised the question of possible Italian insistence that Admiral Carney represent them also. To this Sir Christopher Steel responded that Admiral Carney would have to resist such an Italian desire. We must not get involved as between the Italians and the Yugoslavs. General Collins demurred stating that Admiral Carney was going to be forced at some juncture to let the Italians (Marras) know what was going on between himself and the Yugoslavs. He continued that, if Admiral Carney agreed with his personal view of the importance of the Ljubljana Gap, and it were possible to persuade the Italians that the defense of Italy can best be accomplished in Yugoslavia, they might be prepared to cooperate on a military level. To this Sir Christopher remarked that the Italians and Yugoslavs seemed to be far from prepared at this time to enter into such close relations. . . .

Mr. Perkins then raised the question of informing the Greeks, and Sir Christopher Steel noted that HMG was fully sensitive to the necessity of getting the Greeks in, particularly now that they are full members of NATO. He noted that the Greeks and Yugoslavs would be prepared to fight side by side since, of all the nations in the Balkan Peninsula, they have not fought each other (with the exception of the Albanian incident immediately following the last war), and have a long record of friendly relations.

General Collins then reverted to the discussion of the Yugoslav-Italian relationship. Stating that—leaving the question of Trieste aside— . . . Therefore, since the Yugoslavs would in effect be defending Italy, they might be prepared to let the Italians fight side by side with them. Sir Christopher Steel replied that he was certain this might be so in case of war but he could not see it at the present time. Perhaps they might be prepared to make a secret agreement to this effect: he did not know. General Collins com-

mented that this point seemed logically to lead to the next question: that of token troops. Discussion on that aspect was, however, deferred.

Sir Christopher Steel then raised the question of Albania, asking for US views on this subject. Mr. Matthews stated that we had hoped to leave this problem outside the context of the present talks, to which Sir Christopher Steel agreed. Mr. Perkins noted that we did wish to pursue this matter in another context, and that US and UK should soon arrive at some common policy but that we did not desire to delay the present matter pending such agreement. To this Sir Christopher Steel agreed, noting that in addition to the strategic aspect there were other important aspects of this problem, such as clandestine activities.

Mr. Matthews then asked General Collins to discuss the US position on token forces.

. . . General Collins wished to bring this concept into its proper context, and emphasized that in brief the US position is that we should not decide now what to do as regards committing troops. Mr. Matthews noted that, in his understanding, the previous British view was that they then wished to agree *not* to commit any troops. To this Sir Christopher Steel commented that the British had, in fact, raised the possibility that logistic and other problems involved in sending token Western forces to this area would be considerable, and that such token forces might in fact have no material effect upon the course of hostilities. He noted that the US position is that we would like to leave the question open.

. . . . . .

Admiral Pennant then noted that the previous British position was predicated upon their desire not to commit themselves to send troops in. General Collins clarified that the US likewise did not wish to commit itself to do so. Admiral Pennant and Sir Christopher Steel agreed that the British do not at this time desire to commit themselves not to do so. Sir Christopher Steel was willing to put this position up to HMG.

Sir Christopher Steel then referred to previous discussion regarding whether we were speaking of strategic planning for a localized or general war. The present thinking of the British Chiefs of Staff is that there is no reality in such a discussion. There was general agreement with this view, General Collins noting that the Yugoslavs themselves believe very strongly that a localized war is impossible and Sir Christopher Steel adding the British belief that the Russians also think so. Mr. Matthews raised the question of

probable Yugoslav reaction if the Russians attacked in Germany. . . .

Mr. Matthews then asked General Collins if he wished to raise the question of troops in Trieste at this time. General Collins replied that since that matter was being taken up in another context he did not wish to do so.[4]

Sir Christopher Steel at that point inquired how matters stood in the London talks on Trieste: were they over? Mr. Perkins replied that they were not, that the latest information we had was that a compromise proposal had been made and submitted to General Winterton, who had wired back certain objections. A reply and response had followed, and General Winterton had now made certain suggestions concerning a possible compromise. These looked all right to the Department of State, but Defense had not yet had a chance to study them. Mr. Perkins doubted that any further progress would be made before next week.[5] Sir Christopher Steel noted that in the meantime the question of talks in Washington had apparently been dropped,[6] but added that the British—and he assumed the US—still basically desired to get their troops out of Trieste. To this General Collins replied that, in his view, whether or not the United States wished to get its troops out of Trieste depended entirely upon the outcome of the strategic talks. In his purely personal view, we were getting and would get double return out of all funds we invest in Yugoslav defense compared with those we invest in Italy. Speaking solely as an individual, General Collins could see many advantages from the purely military point of view in both the US and UK remaining in Trieste. To this Sir Christopher Steel remarked that the British difficulty was that they had no reserves, and he continued to give several examples of the difficulties this factor was causing the British. General Collins remarked that, on the other hand, visualizing the situation that would result were Italy to be overrun, one could see its terrific importance. Sir Christopher Steel noted that Italy had been overrun during the last war, to which General Collins remarked that the West had not liked the resulting situation. In his personal opinion the overrunning of Italy was far more important than the overrunning of Greece. Sir Christopher Steel retorted that the UK felt very strongly about Greece, from sentimental, traditional and other ties.

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[4]Presumably reference is to discussions between the Department of State and the Joint Chiefs of Staff on Mar. 26. (State–JCS Meetings, lot 61 D 417, March 1952)

[5]Reference is to negotiations in London, Apr. 3–May 9 between representatives of Italy, the United Kingdom, and the United States regarding the administration of Zone A of the Free Territory of Trieste; see Documents 92 ff.

[6]The talks regarding Trieste which were to take place early in April in Washington between France, the United Kingdom, and the United States were postponed.

Sir Christopher concluded that he had no more issues to raise at the present meeting, that he would transmit the several points raised during the session to London and that if, as he believed would be the case, they were agreeable to London, he would send the Department a note to that effect. He believed he could accomplish this within a week. The next move would then be up to the US to make the formal approach to the UK and France.

No. 640

EE files, lot 67 D 238, "Yugoslavia Military Talks"

Paper Prepared by Oliver M. Marcy of the Office of Eastern European Affairs and Lieutenant Colonel Thomas J. Camp, USA

TOP SECRET [WASHINGTON, April 16, 1952.]

CONCLUSIONS REACHED AT THE POLITICO-MILITARY MEETING WITH THE BRITISH ON YUGOSLAVIA, APRIL 16, 1952[1]

At the politico-military meeting on strategic planning for Yugoslavia, held in the Department of State on April 16, 1952, the following points of agreement were reached (subject to the concurrence of the Foreign Office):

1. Procedure

a. It is essential to bring the French in immediately: to this end the United States will address a formal proposal to both the UK and French Governments suggesting tripartite politico-military talks on strategic planning for Yugoslavia.[2]

b. Strategic planning for Yugoslavia will not now be placed before NATO. It is inevitable that it will ultimately become a NATO problem. Once actual discussion has been initiated with the Yugoslavs, they will gradually find themselves dealing with NATO: this is desirable.

c. The three Ambassadors in Belgrade will, following the politico-military discussions with the French, make, in such manner as they deem most appropriate, an informal and highly confidential approach to Tito, informing him that the three powers are now desirous of entering into strategic discussions with the appropriate Yugoslav military authorities. They will underline that Admiral Carney will undertake these discussions on behalf of the three

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[1] A summary transcript of the discussion at this meeting is *supra*.

[2] A note was inserted in the margin here, explaining that the British Government had interpreted this to mean that the United States, in approaching the French, would suggest "an approach to Tito" rather than propose "politico-military talks" between the three Western powers. The note also indicated that the United Kingdom was prepared to engage in talks with France should France so desire and that the U.S. participants had agreed to act upon this interpretation.

powers. If Tito's response is positive, the Italians will then be advised of the three powers' intent to enter into such discussions with the Yugoslavs. The US favored the concept that such advice should be made on a diplomatic level by the three Ambassadors in Rome. The British tended to feel that the approach might be more appropriate on the part of Admiral Carney but agreed to present the US view to the Foreign Office. Following advice to the Italians, Admiral Carney will be instructed to enter into discussions with the Yugoslavs in whatever manner he and the Yugoslavs feel most appropriate.

d. The question of informing the Greeks must be given full consideration, but should not be permitted to delay progress towards the initiation of discussions with the Yugoslavs as outlined above.

2. Albania:

It was agreed that the various aspects of the Albanian question should be discussed outside the context of the present talks.

3. Token Forces:

It was agreed that no decision be reached at this time to commit or not to commit land forces to Yugoslavia in the event of hostilities. (General agreement regarding air support was reached in a prior meeting.)

No. 641

768.5/4-2152

Report of the Second Tripartite Conference on Assistance to Yugoslavia[1]

SECRET [WASHINGTON, April 21, 1952.]

Introduction

1. This Report has been prepared on the assumption that it is of great political and military importance to the United States, the United Kingdom, France and the Western world generally to maintain the advantages which the existence of an independent Yugoslavia outside the Soviet orbit confers upon the West, to avoid the

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[1]The Second Tripartite Conference on economic aid to Yugoslavia, involving representatives of the United States, the United Kingdom, and France, opened in Washington on Feb. 19. Subsequent meetings were held Feb. 21, Feb. 27, Mar. 17, and Apr. 21. The meetings were presided over by Willard Thorp, head of the U.S. Delegation. Heading the British Delegation was Sir R. Francis Mudie; the French Delegation was headed by Christian Auboyneau, Counselor of the French Embassy in Washington. Minutes of the conference meetings, agenda for the meetings, policy papers, various committee reports, and numerous charts and tables used in connection with the conference are in a looseleaf volume entitled, "Second Conference on Assistance to Yugoslavia—U.S. Delegation." (768.5/4-2152)

consequences which a collapse of Yugoslav resistance to the USSR would entail, and to move Yugoslavia further in the direction of the West.

2. An estimate of Yugoslavia's balance of payments in the year July 1, 1952 to June 30, 1953, has been prepared and is given in Appendix C.[2] This estimate shows that, after allowance has been made for all financial facilities at present in prospect, the maintenance of a volume of imports only slightly above that of 1949 will necessitate further assistance of about $99 million and the taking of steps to deal with problems relating to Yugoslavia's investment and external debts.

3. The attainment of the objectives set out in paragraph 1 is therefore still threatened by the economic situation of Yugoslavia, and the Governments of the United States, United Kingdom and France (in this Report called "the participating Governments") should agree that they will continue to give economic assistance to Yugoslavia in the period ending June 30, 1953, and will continue to cooperate and consult together in the provision of such assistance.

Responsibility of the Yugoslav Government

4. The Yugoslav Government should make every effort to achieve the economic viability of Yugoslavia, and consequently its independence of foreign economic assistance, at the earliest possible date. As, however, part of Yugoslavia's resources are devoted to its defense plans, the economic cost and duration of which are not fully known, the participating Governments are not in a position to determine at the present time a target date for the achievement of viability. Progress towards viability will nevertheless depend principally upon the policies and actions of the Yugoslav Government, which should be informed on this subject in the terms set out in the draft *aide-mémoire* attached as Appendix A.[3]

Proposals Concerning the Provision of Grants

5. The participating Governments should accept responsibility towards one another for providing the Yugoslav Government with the following grants in the year July 1, 1952 to June 30, 1953:

The United States Government $78 million;[4]

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[2]Not printed.

[3]Not printed. The *aide-mémoire* was presented to the Yugoslav Government on July 10. See Document 648.

[4]The United States Delegation reserves to its Government the right to provide part of the stated amount by way of loans instead of grants, should that Government so decide in the light of United States law. If this right is to be exercised, the United States Government should so inform the other two Governments in good time, and should indicate the proportion of the said amount which is to be provided by way of loans, whereupon the other two Governments should be entitled to provide loans instead of grants in the same proportion. [Footnote in the source text.]

The United Kingdom Government £4½ million sterling;
The French Government 2,940 million francs.

6. Each of the participating Governments should apply its grant to financing Yugoslav imports and technical assistance, for the purpose of contributing to the attainment of the common objectives set out in paragraph 1.

7. Each of the participating Governments should, however, after consultation with the other two Governments, be free to determine to which purposes its own grant is to be applied, and the times at which, and the manner in which, it will be applied. Each Government should also be free to determine, in agreement with the Yugoslav Government, the projects to which the counterpart funds resulting from its own grant may be applied, but should consult with the other two Governments concerning the general purposes for which such funds are to be applied.

Proposals Concerning Yugoslav Investment

8. An examination of investment in Yugoslavia has shown that the annual rate of investment expenditure constitutes too heavy a drain on the resources available, and should be reduced. It has also shown the need for the Yugoslav Government to arrange its investment projects in order of priority, and to direct its efforts towards the completion of those of first priority. The data provided by the Yugoslav Government do not include sufficiently firm figures (quite apart from the technical examination which will be necessary) to enable decisions to be reached now by the participating Governments about which groups of industries or which projects are most likely to yield the maximum benefit to the Yugoslav economy. An examination of the Yugoslav "key project" program and supporting data has, however, shown that in deciding which groups of industries or projects are to be financed the following factors should be borne in mind:

(a) the direct improvement in the balance of payments;
(b) the direct or indirect effect on Yugoslavia's resources as a whole;
(c) the necessity of substantially reducing the burden which the Yugoslav "key project" program would place on Yugoslavia's resources, both of materials and of technical skill;
(d) the extent to which for any group of industries or any project there is the essential related investment, e.g., iron ore, coke and power for the iron and steel industry;
(e) the extent to which a project has already been financed;
(f) the ability of the industry or project to compete effectively in world trade;
(g) the length of time required for completion.

9. Assistance should be given to Yugoslavia to carry out investment selected in accordance with the criteria set out in paragraph 8. Such investment would increase its productivity and help to reduce its balance of payment deficit. The International Bank for Reconstruction and Development (IBRD) should be considered the source of loans for investment for Yugoslavia. In view of these considerations the participating Governments should support the granting, as soon as possible, of a second IBRD loan to Yugoslavia of an amount approximately equal to the amount of the loan of $28,000,000 approved by the IBRD on October 11, 1951. In view of the special circumstances of grant aid to Yugoslavia by the participating Governments and the close interdependence of investment and such aid in achieving the general objectives of the participating Governments and the IBRD in Yugoslavia, there should be close consultation, particularly in Belgrade, between the IBRD and the participating Governments on the projects to be financed and the conditions of such a loan.

10. Each of the participating Governments should, subject to such consultation, accept responsibility[5] towards the other two Governments for assuring the availability to the IBRD of an appropriate amount,[6] on request by the IBRD, of that country's currency for a second IBRD loan to Yugoslavia.[7]

11. Such amounts of the currency of each of the three countries as are used by the IBRD for a second IBRD loan shall be considered as reducing *pro tanto* the amount of that country's obligation arising from paragraph 13 of the London Report[8] to increase its assistance to Yugoslavia instead of postponing debt payments due from Yugoslavia in the period January 1, 1951 to June 30, 1952.

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[5]The United Kingdom and French Delegations reserve to their Governments the right to inform the IBRD of the conditions on which they will allow their respective currencies to be used for financing specific projects. [Footnote in the source text.]

[6]According to information made available by members of the staff of the IBRD during the course of the Conference, the present view of the IBRD staff on the appropriate amount is as follows:

U.S. dollars—$5 to $6 million

Sterling—equivalent to $5 to $6 million

French francs—equivalent to $10 to $12 million [Footnote in the source text.]

[7]The United Kingdom and French Delegations indicate that the maximum amounts which their Governments would be prepared to permit to be used by the IBRD for a second loan to Yugoslavia are £2.06 million and francs 4,200,000,000, respectively. [Footnote in the source text.]

[8]The Report signed in London on June 13, 1951, by the heads of delegations representing the United States, United Kingdom and French Governments at a conference on the Yugoslav economic situation. [Footnote in the source text.]

Proposals Concerning Yugoslav External Debts

12. The present position of each of Yugoslavia's external debts is shown in detail in Appendices D and E.[9] These indicate that on January 1, 1952 Yugoslavia's total outstanding debt (as there defined) amounted to $219 million, and an additional $102 million[10] was still undisbursed. At the same date Yugoslavia's swing ceilings on trade agreements amounted to $55 million, of which $38 million had been utilized. The estimated service falling due in the next few years (exclusive of repayments of "swings") is as follows:

$ Million

	Principal	*Interest*	*Total*
1952	49	6	55
1953	47	5	52
1954	47	8	55
1955	39	10	49
1956	21	6	27
1957	17	5	22
1958	26	6	32

In the years 1959 to 1971 the annual amounts are substantially less, ranging from $12.39 million to $2.38 million. From a comparison of these figures with the estimate in Appendix C of Yugoslav foreign exchange earnings from exports and services in 1951 1952 and 1952 1953, which are of the order of $260 million, it is apparent that unless moratoria on debt payments are obtained, a considerable part of the aid proposed in paragraph 5 will be covering payments of debt, and that the debt burden as at present constituted exceeds the capacity of the Yugoslav economy.

13. The participating Governments should agree that such of Yugoslavia's debt payments owed to their respective countries as fall due in the period July 1, 1952 to December 31, 1953, and as are set forth in Appendix B, will be postponed or dealt with so as to eliminate effective payment thereof by Yugoslavia. Debt payments to the United States, United Kingdom and France not included in Appendix B should be considered by the participating Governments as dealt with through their respective grants to Yugoslavia.

14. The participating Governments should confirm their continuing intention to work actively for a revision of Yugoslavia's debt repayment schedules. For this purpose, they should agree to consid-

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[9]Neither printed.

[10]Being the total of the columns headed "Amount Drawn" in Appendix D for the periods subsequent to January 1, 1952. [Footnote in the source text.]

er the sponsoring of a conference of Yugoslavia's creditors to study possible action for amelioration of Yugoslavia's debt burden, either through funding on a long-term basis or through other measures, and to take such action as may then appear appropriate.

15. In the meantime the participating Governments should, by more actively supporting Yugoslav efforts, or by assuming the initiative where desirable (a) work for moratoria on debt payments falling due to countries other than the United States, the United Kingdom and France in 1952 and 1953 and (b) urge such countries to consider amelioration of Yugoslavia's debt burden after 1953. In this latter connection the participating Governments should, after consultation with the Yugoslav Government, inform the other creditor countries that the participating Governments are considering sponsoring a conference of Yugoslavia's creditors for the purpose stated in paragraph 14.

16. The participating Governments should by means of paragraph 3(c) of the draft *aide-mémoire* contained in Appendix A request an assurance from the Yugoslav Government that it will seek the advice of the participating Governments in good time before contracting any new credits (to be understood as including loans, lines of credit, bank acceptance facilities and overdrafts) with exception of credits extended by the IBRD and credits for the sole purpose of refinancing existing credits.

17. The participating Governments should consult together on the problems arising from any credit, as defined in paragraph 16, which the Yugoslav Government proposes to seek abroad. The participating Governments should endeavor to reach agreement on the advice to be given to the Yugoslav Government and in the event of such agreement should give their advice jointly. Failing such agreement each Government should separately inform the Yugoslav Government of its views. If the Yugoslav Government fails to seek the advice of the participating Governments in accordance with paragraph 16, each of the participating Governments shall be entitled, after consultation with the other two Governments, to cease the issue of its grant assistance referred to in paragraph 5 to the extent it considers necessary to protect its financial interests. If the Yugoslav Government proceeds, contrary to the advice of any one Government, to contract the credit, that Government shall similarly be entitled, after consultation with the other two Governments, to cease the issue of its grant assistance to the extent it considers necessary to protect its financial interests.

Procedure in Belgrade

18. The participating Governments should instruct their Economic Missions in Belgrade that, in carrying out the recommendations

of this Report if approved, they should exchange information and should consult together to the end that the assistance given in the form of grants or otherwise by the participating Government will be such as most effectively to promote their objectives as stated in this Report. In particular, the Missions should continue to review developments in the Yugoslav economy, with special reference to their impact on the need for foreign assistance.

Communication to the Yugoslav Government

19. If the participating Governments accept the recommendations of this Report, they should instruct their diplomatic representatives in Belgrade to present to the Yugoslav Government an *aide-mémoire* in the terms set out in Appendix A, which should be construed as an integral part of the recommendations of this Report.

London Report

20. The agreement between the participating Governments which resulted from the adoption by them of recommendations contained in the London Report should terminate on June 30, 1952, except as provided in paragraph 13 of the present Report.

No. 642

768.5/5-652

The Deputy Under Secretary of State (Matthews) to the Secretary of Defense (Lovett)[1]

TOP SECRET WASHINGTON, May 6, 1952.

MY DEAR MR. SECRETARY: You will recall that at the last politico-military meeting with the British on the subject of planning in respect to Yugoslavia, which was held in the Department of State on April 16, 1952,[2] certain agreements as to substance and procedure were reached with the British, subject to the concurrence of the British Government. The British have now formally conveyed that concurrence to us. There are attached, in this respect, copies of a memorandum relating to the call of Sir Christopher Steel, Minister of the British Embassy, upon Assistant Secretary of State Perkins

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[1]Drafted by Marcy and Barbour and cleared with RA, G, and EUR.

[2]See Document 639.

on April 30, 1952,[3] as well as an informal summary of the conclusions reached at the politico-military meeting of April 16, 1952.[4]

Pursuant to the agreement with the British, which has now been confirmed, it is now incumbent upon the U.S. to address a formal proposal to the British and French Governments looking towards a tripartite approach to Tito. There is, in consequence, attached the text of a telegram[5] which, with your concurrence, the Department would like to transmit to the American Embassies at London and Paris for action and to the other addressees indicated for their information.

I would like particularly to call your attention to those portions of the attached message which refer to the proposed function of Admiral Carney in the desired discussions with the Yugoslavs. The British have informally indicated that they see no reason why the alteration in the character of Admiral Carney's position, which has now been reported in the press, should make it undesirable from our point of view for him or his representative to carry out the discussions with the Yugoslavs. Subject to any views which you may hold, the Department is inclined to agree with the British, believing that the question is of importance primarily to the Yugoslavs. Should Tito object to the designation of Admiral Carney to act on behalf of the US, UK and France, we should, of course, be prepared to give consideration to his wishes in the matter.

In view of the delays which have already attended this matter, and of its basic urgency, the Department would be appreciative if you would give it your early attention and treat it as a matter of priority.

Sincerely yours,

H. FREEMAN MATTHEWS

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[3]Not printed; Steel communicated to Perkins the British Government's agreement to and understanding of the procedures to be followed regarding the military planning with Yugoslavia.

[4]Reference is to Document 640.

[5]Not found attached to the source text, but the telegram was sent, after Department of Defense approval had been obtained, as telegram 5854 to London (telegram 6685 to Paris), May 12. (768.5/5-1252) The notes, texts of which were contained in these telegrams, were delivered to the British Foreign Office on May 14 and to the French Foreign Ministry on May 15.

No. 643

State–JCS Meetings, lot 61 D 417, "June 1952"

Memorandum of Discussion at the Department of State–Joint Chiefs of Staff Meeting, Washington, June 18, 1952[1]

TOP SECRET

PRESENT

General Bradley
General Collins
Admiral Fechteler
General Twining
Admiral Wooldridge
Admiral Fife
General Bolte
General Lee
General Cabell
Colonel Carns
Mr. Matthews
Mr. Nitze
Mr. Perkins
Mr. Byroade
Mr. Ferguson
Mr. McClurkin
Mr. Tufts
Mr. Lay
General Ruffner

[Here follows discussion of the situation in the Middle East, the possibility of bombing certain power plants in North Korea, and the question of Korean prisoners of war.]

Conversations with Yugoslavia

General Bradley: We would like to talk about the problem of who will represent us in conversations with Tito. Originally this was set up for Admiral Carney. It still seems to us that we can order an American officer to put on a U.S. hat and do anything we order him to do, but we seem to be in the minority on this. The British want one of the Joint Chiefs to do it. We don't like that suggestion. One possibility is to let Admiral Wright do it. Another is to get General Hayes in Austria to do it. His command is not in the NATO set-up. Furthermore, he is going to drop back into that area when fighting starts. He only has two stars now but his nomination for three is on the Hill. He is a capable man. I suppose Tito would like four stars if possible and would prefer an army man since most of his problems are land problems. There might therefore be some advantage in General Hayes.

Mr. Perkins: We would want to think about that very carefully. It might cause us some difficulties in Austria when it became

[1]The meeting was held at the Pentagon at 11 a.m. A note on the source text indicates that it was a Department of State draft which had not been cleared with any of the participants.

known that Hayes was talking with Tito about military plans. I think we would want to consider this very carefully.

General Bradley: The other possibilities are to send General Handy or Admiral Wright. Admiral Wright is not yet in a NATO command but he will be. General Handy, although he has a U.S. command, also has a NATO position.

Mr. Perkins: If General Handy takes the job of military representative, won't he be out of the NATO set-up?

General Bradley: Yes, that is so. I think we are going to Give Ridgway two hats—a U.S. hat in addition to his NATO hat.

Mr. Byroade: Whoever holds the conversations should get some time in Greece and Turkey.

General Bradley: That was one advantage in having Carney do it. He would still prefer Carney to anyone else.

Admiral Fechteler: Why not just tell the British that we are going to have Carney do it?

Mr. Matthews: It is not only the British who have doubts about this.

Mr. Perkins: We have a wire in this morning from Paris.[2] The French think that the three of us ought to meet before anyone talks to Tito and that we ought to decide what we are going to say to him. The French think we should use the Standing Group for this purpose. They also think that the talks should be on a tripartite basis not just a U.S. representative. They suggest that we might start off with our military attachés in Yugoslavia.

General Bradley: What are we trying to do in these conversations?

Mr. Perkins: . . . .

General Collins: There is a very good reason for these talks.

General Bradley: I wasn't questioning that. . . . Is there any other reason for these talks?

General Collins: . . . .

General Cabell: Could not Admiral Carney be given leave for a while from his NATO responsibilities?

Mr. Nitze: Could General Eddleman go along with the principal U.S. representative?

General Collins: We have been waiting a long time on this one and I don't think it will matter much if we wait a little while longer. If we wait a little while we can have General Handy after this new set-up in Europe has been approved by the JCS. Incidentally, I am still skeptical about the visit of General Eddleman and

[2]Reference is to telegram 7901 from Paris, June 17. (768.5/6–1752)

Mr. Olmsted[3] of the office of the Secretary of Defense. I think we have a good man in Yugoslavia in General Harmony.

Mr. Matthews: I don't know about this visit by Eddleman and Olmsted. I think it might confuse our other approach.

Mr. Perkins: I have only just heard of it and I don't know why it is being undertaken.

General Ruffner: I think they are going over to discuss the military end-item program.

General Bradley: They don't have to go there to do that.

Mr. Perkins: As for the French suggestion, I think we should object to the three-party approach. However, do we want to agree to a meeting of the three of us before we talk to Tito?

General Bradley: I don't see any objection to a meeting of that kind.

General Collins: I talked with the Yugoslavs frankly when I was there.[4] . . . We should leave the problem of Greek-Yugoslav coordination entirely up to the Greeks although I understand the Greeks have been making some progress on this matter. . . .

Mr. Matthews: In light of this do you think that we need to have talks with the British and French before talking to Tito?

General Collins: I think there would be an advantage in explaining to the British and French what we have in mind.

General Bradley: I don't see any objection to drawing up an agenda for the talks with the British and the French.

Mr. Perkins: Should we use the Standing Group for this?

General Bradley: I hesitate to use the Standing Group for non-Standing Group tasks. The British will probably want to use Elliott and the French will probably want to use Ely. If we use someone other than Admiral Davis, that will make it a different group from the Standing Group. I think General Collins or General Eddleman should do it.

General Collins: I agree that we should keep it out of the Standing Group.

General Bradley: Let's agree that we will set up an *ad hoc* committee and designate Collins for it.

General Lee: Is it agreed that there will be no participation by the British and French in the talks?

General Collins: That is agreed. In fact I don't think Tito would talk to the French at all.

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[3]Regarding Eddleman's and Olmsted's visit to Yugoslavia in July 1952, see footnote 3, Document 647.

[4]For documentation regarding Collins' talks with Yugoslav officials during his visit to Yugoslavia in October 1951, see *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1855 ff.

General Bradley: We might pursue this topic a little further. We might consider a Britisher as the person to talk with Tito.

Mr. Matthews: The British haven't raised that possibility.

General Collins: Since we furnish the aid I think we should be the ones to talk.

Mr. Perkins: Should the fellow be divorced from NATO?

General Collins: What about using General Handy supported by General Eddleman. He will soon be wearing a U.S. hat.

General Bradley: This may be decided next week.[5]

[Here follows discussion of the question of the possibility of British representation on General Clark's staff in Korea, the build-up of the Turkish air force, and the possibility of United Nations military action in the Pusan area of Korea.]

[5]At a meeting on July 30 between British, French, and U.S. military representatives, it was decided, among other things, that General Handy should represent the three powers in the military talks with Yugoslavia. The decisions made at that meeting were described in a letter of Aug. 20 from Lovett to Acheson. (768.5/8-2052)

No. 644

768.5/7-252

The Deputy Under Secretary of State (Matthews) to the Secretary of Defense (Lovett)[1]

TOP SECRET [WASHINGTON,] July 2, 1952.

MY DEAR MR. SECRETARY: The Department has been informed by the American Embassies in London and Paris that the initial British and French reaction has been favorable to the revised procedures which we have recommended to them in the matter of the proposed staff talks with the Yugoslavs . . . .[2] The British Foreign Office has indicated that we may expect a formal reply this week, and the comments of the French Foreign Office at the time our recent note was delivered lead us to hope that a formal French reply will also be received at an early date.[3] It would therefore

[1]Drafted by Marcy and Barbour and cleared with WE, EUR, BNA, RA, G, and S/P.

[2]The revised procedures described here were communicated to the British Foreign Office and the French Foreign Ministry on June 23. The text of the notes was transmitted to the Embassies in the respective capitals as telegram 6790 to London and telegram 7470 to Paris, June 20. (768.5/6-2052)

[3]In telegram 144 from London, July 9, Ambassador Gifford reported that the British Government indicated its approval of the revised procedures. (768.5/7-952) The French Government gave its approval in a note, dated June 27, delivered to the Embassy on July 1. A copy of this note is attached to despatch 27 from Paris, July 3. (768.5/7-352)

seem desirable at this time to prepare for the meeting of military representatives in Washington which we have proposed, to ensure that the meeting may be convoked without delay once the formal British and French replies have been received and those two Governments have appointed their representatives. This letter is designed to set forth the views of this Department in respect to those conversations in order that you may take them into account in making whatever arrangements you deem desirable to prepare for the talks.

As you know, the original United States proposal to the United Kingdom and France set forth certain general political considerations which would guide the US, UK and France in military talks with the Yugoslavs. Those general considerations have been accepted by the British and French and should not therefore be in question in the discussions which it is planned to hold in Washington. They are, in broad outline, as follows:

. . . . . .

4. The proposed discussions and planning between the three Western powers and Yugoslavia shall be on a contingency basis and concerned with purely military matters.

As is set forth in our most recent note to the United Kingdom and France, we hope that the meeting in Washington between military representatives of the US, UK and France will not concern itself with these political issues but will be confined strictly to consideration from the military standpoint of the several points upon which agreement remains to be reached. These include the following:

1. Agreement on the individual (or possible alternates) to be proposed to Tito as the representative designated by the three Western powers to conduct the talks;
2. Clarification of the actual agenda for the military talks between the representative of the three Western powers and the Yugoslav military authorities; and
3. The establishment of the necessary administrative and line-of-command procedures to assure appropriate communication to and from the three Governments during the course of the actual discussions with the Yugoslavs.

Our views on these points, in so far as they directly concern us, were made available to the Joint Chiefs of Staff at the JCS–State meeting of June 18.[4] . . . We believe, however, that this is largely a question for the Joint Chiefs of Staff to resolve.

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[4]See the memorandum of discussion, *supra*.

It is hoped that, following the conclusion of the Washington meeting, the three Governments will be in a position to proceed directly towards the diplomatic approach in Belgrade. You will recall in this connection that our original proposal to the British and French Governments stipulated that the actual approach should be made at a time deemed appropriate by the three Ambassadors in Belgrade, who were to take into account such political issues as Trieste. Once agreement is reached in the Washington discussions, therefore, it will be necessary to consult the diplomatic representatives of the three countries in Belgrade to ascertain whether they consider the time propitious to make the actual approach.

This Department does not anticipate that the presence of political observers at the actual meetings in Washington will be necessary. The presence of such observers would, in our opinion, risk the possibility of expanding the discussions into the political sphere, which is not desired. This Department will, of course, appreciate being kept closely informed of the progress of the discussions and would wish to be consulted if the British or French representatives insist upon political observers or upon raising the broader political issues. It stands ready, needless to say, to offer any assistance or advice which you may feel would be useful.[5]

Sincerely yours,

H. FREEMAN MATTHEWS

[5]In a brief letter of July 9 to Secretary Acheson, Brig. Gen. Marshall S. Carter, on behalf of the Secretary of Defense, acknowledged receipt of Matthews' letter of July 2 and stated that it had been forwarded to the Joint Chiefs of Staff for their information and such action as they deemed appropriate at this stage. (768.5/7-952)

No. 645

768.5 MSP/7-1552: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

SECRET BELGRADE, July 15, 1952—6 p. m.

62. During conversation which Frank Nash[2] and I had with Tito at Brdo last night, latter expressed full appreciation for US mili-

[1]Repeated for information to Paris and London.

[2]Assistant Secretary of Defense Nash visited Yugoslavia July 13-14.

tary assistance and for useful visits of Generals Eddleman and Olmsted.[3]

. . . . . .

I said I wld report his views, which wld be received with much interest in Washington. Nash said he felt confident Tito's suggestion wld be accepted with enthusiasm by US Govt.

I remarked that US had close military relations with certain other powers, notably Britain and France, which shld be kept in mind. Tito said he understood situation and that while he wld not wish to discuss military matters directly with an "organization" (i.e., NATO), he agreed fully that British and French shld be brought in. He added that Yugoslavia wld also wish to consider Greece and Turkey in this connection.

. . . Nash and I believe his overture shld be followed up promptly.[4]

ALLEN

[3]Generals Eddleman and Olmsted left Yugoslavia July 14 after spending a week visiting service installations and conferring with various Yugoslav officials. No record has been found in Department of State files of these discussions.

[4]In telegram 199 to Belgrade, Aug. 8, the Department of State reported that it had delayed a reply to Tito's suggestion concerning talks on operational questions pending progress in the tripartite military meeting which was held in Washington July 30. (768.5/8–852) The decisions made at this meeting were described in a letter of Aug. 20 from Lovett to Acheson. (768.5/8–2052)

No. 646

768.5 MSP/7–1552: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

SECRET BELGRADE, July 15, 1952—6 p. m.

64. Emb Bled tel 1, July 14.[2] Tito asked me to come to Brdo last night for "informal and personal talk" about tripartite memo re econ aid (Embtel 63, rpted info Paris 7, London 8[3]). He showed considerably more agitation over subject than I had expected and said flatly that Yugo govt had no choice but to reject memo as it stood, even if Yugo must forego further econ help. His chief objections

[1]Repeated for information to Paris and London.

[2]Not found in Department of State files.

[3]In telegram 63, July 15, Allen reported that Deputy Foreign Minister Crnobrnja had told him and the British Ambassador on July 12 that he was surprised at the harsh tone of the *aide-memoire* regarding tripartite aid which the three Western Ambassadors had delivered to the Foreign Office on July 10. (768.5 MSP/7–1552)

were to harshness of tone, efforts to force change in Yugo econ policy, and limitations on Yugo sovereignty. He said if *aide-mémoire* became public, Yugo's position wld be untenable. He expressed hope memo cld be withdrawn and replaced by acceptable one without public knowledge.

It was evident that Tito himself is behind Yugo excitement over memo.

I said I welcomed his frank declarations and wld be equally frank. I said he showed more sensitiveness to criticism than even I had expected, although I had thought I knew him well. If he wished to reject memo he was free to do so but my most friendly advice was that he reply to it, point out any facts he felt we had overlooked or misstated. I believed formal agreement cld be worked out acceptable to both.

After considerable frank but friendly discussion Tito accepted my suggestions and said Yugo reply wld be forthcoming in few days. He said our talk had enabled him to find way out of impossible situation.

Yugo reply will doubtless be strong, chiefly for Yugo psychological reasons and for record, and considerable discussions will ensue but I believe long-run effect will be salutary.

ALLEN

No. 647

033.1100/8-1552: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

SECRET BELGRADE, August 15, 1952—10 a. m.

177. Secy Pace informed Tito during discussion at Brdo Aug 13 that purpose of his visit to Yugo was same as to other countries where we had mil aid programs.[2] He wanted to have first-hand

[1]Repeated for information to Athens, Ankara, London, and Paris.

[2]Secretary of the Army Frank Pace visited Belgrade Aug. 12–14 as part of an inspection trip to several European and North African countries. In telegram 148 to Belgrade, July 29, the Department of State reported that Pace, prior to the trips, had talked with Ambassador Popović, who had informed him that Tito would like to see him when he came to Yugoslavia. Assistant Secretary Perkins had also discussed with Pace possible topics of conversation with Tito and had suggested that he might emphasize to Tito the urgency of a Trieste settlement and dispel any impression Yugoslavia might have received from the expansion of the military aid program and recent visits of high-level U.S. military officials that the United States regarded Yugoslavia as so important from the military standpoint that it would not question Yugoslav policy on Trieste and with respect to Italy. (033.1100/7-2952)

look and establish personal contacts. He referred to growing mil strength of US and West world and said while much remained to be done he felt sufficient progress had already been made to cause any aggressor regret rash action.

Pace said experience of UN forces in Korea had proved value of relatively inexpensive anti-tank weapons such as bazookas, recoilless rifles and mines and that while these were not substitute for tanks, he believed Yugos wld be well advised to place more emphasis on anti-tank weapons to repel initial attack. Tito agreed but said he also needed tanks for counter-attack since passive def was insufficient to repel invaders. Moreover it was not in his nature to think only defensively if his state attacked.

Pace said he had been much impressed with Yugo troops he had seen perform briefly in Belgrade and felt Amer equip here wld be put to good use.

Tito expressed appreciation for Amer help and agreed with Pace's remarks concerning necessity of maintenance spare parts and local manufacture of ammo. Tito pointed out manufacture of ammo for small number specific guns wld be uneconomic unless Yugo cld manufacture on large enough scale to export surplus.

During discussion of Cominform potential and intentions, Tito said he thought Bulg wld fight Yugo harder than other satellites because of Bulg's territorial designs on Macedonia. He thought Hungary wld also fight well in hope of obtaining Vojvodina. He doubted Cominform troops wld launch offensive with great enthusiasm but thought Sov propaganda that Russia was being encircled had created some ground work for preventive war psychology among Russians.

Pace referred to tech difficulties of bringing new models of heavy weapons into production, particularly planes and tanks, and asked Tito's opinion of Sov capabilities in this regard. Tito said it wld be great mistake to underestimate Russian tech equipment. Pace said we now had much better tank than Sov T-34, which he thought was latest Sov model. Tito said Russians had developed much better tank (T-44) and he believed they cld produce it in quantity.

In response to question re morale of Sov troops in occupied areas, Tito said Sov troops in East Ger were reasonably content at present merely because they were living better than they wld be in Russia.

Pace emphasized US was anxious help increase mil posture of free world in order maintain peace. He thought steadily increased collaboration and mil understanding among free world was necessary to achieve this end. Tito agreed readily and said he saw no obstacle to increased consultation between Yugo and US mil auths on strategic questions.

Comment: Hour and a half discussion and subsequent dinner conv were marked by cordiality on both sides. DepMinDef Gosniak and chief staff Koca Popovich were present during discussion, along with DepFonMin Mates and myself. No direct ref was made by either side to Tito's suggestion to Frank Nash (Embtel 62 July 15[3]) that time had come for strategic talks, but I believe Tito construed Pace's concluding remarks as expression of our concurrence in his suggestion. There was no ref to further implementation.

Pace and his party made favorable impression on Yugo and visit was beneficial to our interests and position here. Genl Max Taylor added greatly to favorable impression created.

Other specific subjects discussed being reported in separate tels.[4]

ALLEN

[3]Document 645.

[4]In telegram 179 from Belgrade, Aug. 15, Pace's brief discussion of the Trieste issue with Tito was described. (750G.00/8–1552) Telegram 180 from Belgrade, also Aug. 15, described their discussion of the question of Yugoslavia's relations with Greece and with Turkey.

No. 648

768.5 MSP/8–2552: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State

SECRET BELGRADE, August 25, 1952—9 a. m.

233. Discussions in Bled concerning tripartite econ aid terminated August 23 with full agrmt among US, UK, Fr and Yugo reps here.[1] Text being telegraphed separately.[2] Dep Fon Mins Mates and Crnobrnja who represented Yugo Govt and had full power express concurrence on behalf of Yugo Govt, stated Yugo Govt's formal agrmt to text.

[1]Discussions of the tripartite *aide-mémoire* of July 10 and the Yugoslav Government's reply of July 28 took place in Bled, Yugoslavia, on Aug. 16, 22, and 23. Regarding the *aide-mémoire*, see footnote 3, Document 641. The Yugoslav reply was transmitted to the Department of State in telegram 114, July 29. (768.5 MSP/7–2952) Richard F. Allen represented the United States, Mudie the United Kingdom, Ambassador Challet France, and Mates, Crnobrnja, and Kopcok Yugoslavia. Prior to the quadripartite meeting on Aug. 16, the three Western powers met separately and prepared informal notes setting forth their views regarding the conditions governing aid to Yugoslavia. Copies of these informal notes were given to the Yugoslav Delegation at the Aug. 16 meeting. A copy of these notes, plus the informal minutes of the Aug. 16 meeting, were sent to the Department of State as attachments to despatch 519 from Belgrade, Aug. 28. (768.5 MSP/8–2852) The discussion at all three quadripartite meetings was summarized in telegram 254 from Belgrade, Aug. 28. (768.5 MSP/8–2852)

[2]See telegram 236 from Belgrade, *infra*.

Several confs were held among US, UK and French reps to draft text for submission to Yugos, but final document is considered as having been drafted by reps of four govts. US, UK and French reps emphasized text was subject to approval by their govts, and Brit and French Ambs pointed out that several weeks might be required for action in London and Paris since Cabinet level approval might be necessary.

We believe final text contains substance of all requirements of July 10 *aide-mémoire*. As re capital investment Yugos showed concern over our insistence on establishment of priorities. Considerable discussion centered around our criteria, especially re ability of an industry to compete in world trade. Yugos are afraid three govts might apply latter criterion to hamper industrialization. Yugos showed special concern re milit industries which might not be able compete in world trade. I insisted on inclusion of all criteria mentioned in July 10 *aide-mémoire* but agreed to qualification that certain criteria wld be applicable "where appropriate."

Principal discussion concerning external debts revolved around question of conf of creditors. At first Yugos were reluctant to include any ref to such conf but yielded to our insistence.

Sharpest difference arose over requirement that Yugo Govt must consult us re future loans outside IBRD. Mates tried hard to get us accept oral assurance of such consultation, asserting that in practice Yugo Govt wld have consult us anyway since it had little or no chance of obtaining such loans without our help. He objected to including commitment to this effect in written document which might be published and wld appear as infringement of Yugos sovereignty. We insisted that written commitment on this subject was necessary and Yugos agreed to statement four govts wld exchange views whenever occasion for loans outside IBRD arose.

Mates and Crnobrnja reiterated several times Yugo Govt wished incur as few foreign debts as possible and much preferred to obtain all credits for capital investment from IBRD. Statement in final text that three govts have agreed in principle support IBRD loan now under consideration was included at Brits suggestion, in belief it wld favorably impress Yugos and overcome reluctance to your provisions re future loans. Richard Allen and I were hesitant about this document but we see no strong objection to it if Dept and MSA concur.

I hope US auths approve text and will make this known to Brit and French as soon as possible in order encourage them to act promptly.

ALLEN

No. 649

768.5 MSP/8-2552: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State

SECRET BELGRADE, August 25, 1952—3 p. m.

236. This is joint State/MSA cable. Ref Deptel 167, Aug 4 and Embtel 233, Aug 25.[1]

Fol is text of agrmt reached by US, UK and French Ambs and Yugo Govt. If approved, each of three Ambs will send identical letter to FonMin.

"With ref to the exchanges of memoranda of July 10 and 28, 1952,[2] concerning econ aid to Yugo by Govts of US, UK and France, I have the honor to inform you that my govt suggests fol as the basis for continuation of this aid during period July 1, 1952 through June 30, 1953:

"*Balance of Payments.*

"The four govts recognize the importance to Yugo of achieving balance of payments in shortest possible time. It is noted that Govt of Yugo has firmly decided to make the best use of econ aid and to exert internal econ efforts in order to achieve this end. The four govts agree to exchange full info and views in these matters.

"*Investment.*

"The four govts recognize that the rate of investment must depend in part upon availability of foreign exchange. In view of uncertainties of foreign exchange availability, a system of priorities for the completion of the Yugo investment program is particularly important. The three govts note the statement made on behalf of the Govt of Yugo that in the planning of current investment program due regard is being and will continue to be paid to the establishing of priorities based primarily on the fol criteria: The extent to which project will contribute to an improvement in the balance of payments and the extent to which the project has already been completed. Other criteria, where appropriate, include the extent of development of related industries, the length of time required to complete a project, and ability of an industry to compete in world trade.

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[1]Telegram 167 to Belgrade is not printed. (768.5 MSP/8-452) Telegram 233 from Belgrade is *supra*.

[2]Reference is to the tripartite *aide-mémoire* of July 10 and the Yugoslav reply of July 28; see *supra*.

"*Agriculture.*

"The four govts agree that an increase of agric production in Yugo is of prime importance. The three govts understand that the Govt of Yugo is ready furnish info concerning its efforts in this field and to exchange views in order facilitate assistance by the three govts.

"*External Debts.*

"The four govts are agreed that amelioration of Yugos present sched of debt payments is essential. They further agree that an effective method of obtaining such amelioration must be sought. One possibility which has been suggested is a conf of creditors. Other methods may emerge from joint consideration of the problem. The four govts will therefore undertake prompt consultation with view to arriving at an effective means of achieving amelioration of Yugos debt position.

"*Future Loans.*

"The four govts agree that the Internatl Bank for Reconstruction and Development shld be regarded to the fullest extent possible as the source of future loans for the Yugo investment program. They recognize that cooperation among them is necessary to achieve this end. Each of the three govts has agreed in principle to support internatl bank for reconstruction and development loan now under consideration.

"The four govts are further agreed that the contracting of loans outside the internatl bank for reconstruction and development is also of concern to the govts contributing econ aid to Yugo and that the four govts will exchange views whenever occasion for such loans arises.

"*Raw Materials.*

"The Govts of United States, UK and France desire to obtain certain raw materials and products from Yugo, and Govt of Yugo agrees to use its best endeavor to satisfy the reasonable needs of three govts in this field.

"*Technical Assistance.*

"The four govts are agreed that the provision of tech assistance to Yugo is an important aspect of their econ cooperation, and that to the extent possible they will arrange for sending foreign technicians to Yugo and for training Yugo technicians abroad, both of the higher and lower grades.

"I shld be gratified if Your Excellency wld let me know whether your govt concurs in the foregoing.

"Pls accept, Excellency, the assurance of my highest consideration."

ALLEN

No. 650

768.5/9-1552

The Secretary of Defense (Lovett) to the Secretary of State

TOP SECRET WASHINGTON, 15 September 1952.

DEAR MR. SECRETARY: Reference is made to your letter of 26 August 1952,[1] concerning the terms of reference and agenda for the conduct of the forthcoming tripartite military conversations with Yugoslavia.

Enclosed herewith are the recommendations of the Joint Chiefs of Staff concerning the several matters raised by this letter and its accompanying enclosures. You will observe that the Joint Chiefs of Staff have also addressed themselves to the question of participation by Greece, Turkey, and Italy in future military planning with Yugoslavia, as well as notification to these governments concerning the presently planned conversations, in which General Handy is to be the tripartite representative.

These recommendations of the Joint Chiefs of Staff have my approval. It is my understanding that the initial tripartite diplomatic approach to Marshal Tito may be made during the forthcoming visit of the British Foreign Secretary in Belgrade next week.[2] I trust that this will make it possible for the ensuing military conversations to be initiated at an early date.

Sincerely yours,

ROBERT A. LOVETT

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[1]Not printed. (768.5/8-2652)

[2]On Sept. 2, representatives of the British Embassy in Washington informed the Department of State that Foreign Secretary Eden hoped that the military talks with Yugoslavia could be underway by the time he visited Belgrade on Sept. 17. At the minimum, Eden urged that the tripartite approach to Tito requesting the talks be made prior to his visit. These views and Department of State efforts to expedite Department of Defense consideration of the papers transmitted under cover of Matthews' letter of Aug. 26 to Lovett are described in a memorandum from Thurston to Matthews, Sept. 2. (768.5/9-252)

[Enclosure]

Memorandum by the Chairman of the Joint Chiefs of Staff (Bradley) to the Secretary of Defense (Lovett)

TOP SECRET WASHINGTON, 10 September 1952.

Subject: Tripartite Military Conversations with Yugoslavia

1. This memorandum is in response to your memorandum of 27 August 1952 on the above subject.[3] The comments of the Joint Chiefs of Staff which follow are addressed to both your memorandum and its attached letter from the Secretary of State with enclosures.[4]

2. The terms of reference for the Tripartite Representative, forwarded to you on 12 August 1952,[5] had already incorporated the minor changes desired by the British, that is, the addition of the words "as appropriate" at the end of paragraph 1, and the omission of underlining.

. . . . . .

4. In order to mollify the French and to expedite initiation of the proposed talks, the Joint Chiefs of Staff consider that the Chief of Staff, U.S. Army, as executive agent for the three powers, in transmitting to General Handy the implementing directive for the initiation of the military talks, should call the latter's attention to the views of the French Government concerning subparagraph 5 b of the terms of reference and direct him, in the discussions, to take full account of the French viewpoint and phrase his approach accordingly.

5. One proposal in the Department of State draft telegrams and draft memorandum on which the Joint Chiefs of Staff were requested to comment stems from the expressed desire of the French Government to include in the terms of reference for the proposed military conversations with Yugoslavia an item on the subject of Albania. The Joint Chiefs of Staff agree in the position of the Department of State thereon, and further agree with the manner in which that Department proposes to present the United States position to the British and French Governments.

6. There is also included in the Department of State draft telegrams to the British and French Governments a formal proposal

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[3]Not found in Department of State files.

[4]Presumably reference is to the letter of Aug. 26 from Matthews to Lovett, with enclosures.

[5]The terms of reference for the talks were sent to the Department of State as Appendix "A" to a letter from Lovett to Acheson of Aug. 20. (768.5/8–2052)

that the Greek and Turkish Governments be apprised of the fact that the United States, the United Kingdom, and France intend to conduct military conversations with the Yugoslavs, at the same time and in the same manner as the three governments are already agreed that such advice will be given to the Italian Government. The Joint Chiefs of Staff concur in this proposal. In concurring, they wish to express their hope that it will be found politically expedient to make the three notifications coincidently with the initiation of the talks.

7. The Joint Chiefs of Staff concur in the view of the Secretary of Defense that the contemplated notification to Italy, Greece, and Turkey in the manner proposed may result in strong requests by these governments for participation in the military conversations with Yugoslavia. The Joint Chiefs of Staff are opposed to the inclusion of Italy, Greece, and Turkey in the initial phase of the military talks with Yugoslavia, but consider that those countries should ultimately be represented in the more detailed planning to follow. Initial participation by these countries would, in all probability, render it more difficult to lay a firm and favorable groundwork for military coordination between Yugoslavia and the Western Powers. It would also give a distinctive NATO color to the Allied approach which, in the light of the expressed aversion on the part of Yugoslavia to any military alliance with the West at this time, might seriously jeopardize the success of the entire project.

. . . . . .

. . . Item 5 of the agreed agenda, "Procedure for Further Conversations,"[6] has as its objective the reaching of agreement on a procedure for the continuous exchange of plans and information after the initial talks have been completed. . . .

10. The Joint Chiefs of Staff are of the opinion that the general tenor of the foregoing paragraph should be conveyed to the Italian, Greek, and Turkish Governments when they are notified of the initiation of the military conversations. This should serve to reassure those governments that their military interests will be adequately safeguarded in the initial conversations, and that, subject to the concurrence of the Yugoslav authorities, Italy, Greece, and Turkey will be invited to participate in detailed planning conversations at an appropriate time and should tend to dissuade those countries from pressing for participation from the outset. The Joint Chiefs of Staff are further of the opinion that the Chief of Staff, U.S. Army,

[6]The agenda for the tripartite talks with Yugoslavia was transmitted to the Department of State as Appendix "B" to Lovett's letter of Aug. 20 to Acheson.

as executive agent for the three powers, should, in transmitting to General Handy the implementing directive for the military talks, authorize him, if he deems it advisable, to notify the Yugoslav Representative of the intent of the three powers to inform Italy, Greece, and Turkey concerning the initiation of these discussions.

11. In the light of all of the foregoing, the Joint Chiefs of Staff recommend that you express to the Secretary of State agreement with the draft telegram and draft memorandum to the British Government and the draft telegram to the French Government, subject to incorporation of the substance of the changes appended to this memorandum.[7]

For the Joint Chiefs of Staff:
OMAR N. BRADLEY

[7]The appendix is not printed.

No. 651

768.5/9-1752: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET NIACT — WASHINGTON, September 17, 1952—7:05 p. m.

393. No distribution outside Dept. Eyes only Chief of Mission and senior mil attaché.

Fol is substance msg from Eden divd Dept late last night and discussed in Depts immed fol tel:[2]

1. "View atmosphere created by Yugo note on Trieste[3] and Tito's 14 Sept speech[4] I now convinced tripartite approach to Tito today or tomorrow wld be mistake.

2. Though before recent developments I believed early approach wld be helpful, under present circumstances Tito wld inevitably conclude that three Western powers had made great effort make approach prior to my visit. . . . I do not believe two questions can be kept separate. Tito wld not permit us do so.

[1]Drafted by Marcy, cleared with Perkins, and signed personally by Acheson. Sent also to Paris and London and repeated for information to Moscow, Athens, Rome, and Ankara eyes only Chiefs of Mission and senior military attachés.

[2]Telegram 394 to Belgrade, *infra*.

[3]The text of the Yugoslav reply of Sept. 11 to the tripartite *aide-mémoire* regarding Trieste was transmitted to the Department of State in telegram 329 from Belgrade, Sept. 12. (750G.00/9-1152)

[4]A summary of Tito's speech on Sept. 14 before a group of Slovene partisans, in which he stated that Yugoslavia's position on Trieste would remain unchanged, was transmitted in telegram 364 from Belgrade, Sept. 15. (768.11/9-1552)

3. West powers must also take Ital-Yugo relations into consideration. . . .

4. I much prefer delay approach until results my visit known. I suggest that I might instead remind Tito of voluntary statement to Nash . . . . FYI in Secy's msg phrase actually used was "ultimate reality and substance."

Brit Emb informed Dept Eden had discussed above with Schuman who had "independently and firmly" reached same conclusion and agreed that Eden shld broach subj to Tito in sense of above discussion. Eden instructed Brit Emb here to suggest that Dept inform him through US Amb Belgrade whether—as he hopes—it agrees with his position.

ACHESON

No. 652

768.5/9-1652: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET
NIACT

WASHINGTON, September 17, 1952—7:06 p. m.

394. No distribution outside Dept. Eyes only Chief of Mission and senior mil attaché. Deptel 393.[2] You are instructed inform Eden of US position along fol lines:

1. Dept regrets that for reasons indicated previous tels dipl approach for initiation strategic talks cld not have taken place before Eden visit Belgrade despite Yugo note on Trieste and Tito's Sept. 14 speech.

2. In view change Brit and Fr position however this impossible nor is it now feasible endeavor obtain agreement for Eden to make approach on behalf three powers (Belgrade tel 367[3]).

3. We continue feel Eden shld discuss Trieste problem with Tito along broad lines set forth Deptel 1617 to London, 332 to Belgrade.[3] However we strongly disagree with Eden proposal to modify this approach in such fashion as directly to link proposed mil talks with Yugo concessions on Trieste. In considering this relationship US Govt has from start considered that progress re Trieste and proposals re mil coop shld fol separate and parallel courses and not become conditionally related in such fashion as possibly to jeopardize favorable results in either sphere. We have been guided by principle on one hand that it was imperative for reasons of over-all

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[1]Drafted by Thurston and Barbour, cleared with Byington and Perkins, and signed personally by Acheson. Sent also to Paris and London and repeated for information to Moscow, Athens, Rome, and Ankara eyes only Chiefs of Mission and senior military attachés.

[2]*Supra*.

[3]Not printed. (750G.00/9-552)

West defense to accomplish our joint mil purposes without permitting polit issues to interfere and principle on other hand that we continue to make clear to Tito that our desire for mil coop does not detract from importance we attach to ultimate solution Trieste question. We believe that efforts to create a conditional relationship between proposed mil talks and Trieste problem rest in part on erroneous assumption that mil talks wld result only in net profit to Tito whereas in fact it is greatly in interest of three powers that after two years of delay we get down to concrete discussions with Tito in mil sphere.

4. We therefore feel that in discussing Trieste question Eden shld avoid any ref to Tito's statement to Nash[4] since this wld seriously jeopardize ultimate realization our joint purpose re desirability in terms of over-all West defense of purely mil talks with Yugo. Eden will recall in this connection that it is Tito's overture to Nash which is to be basis for tripartite dipl approach for mil talks. If Tito shld on his own initiative raise question mil talks, we hope that Eden will also avoid creating impression we are linking Trieste in conditional relationship such talks.

5. We believe that success thus far achieved by West in developing mutually helpful relations with Tito regime has been made possible by our careful avoidance of polit pressure. Tito's recent speech and his present frame of mind as reported ur 372[5] emphasize delicacy of present situation this particular respect and represent additional reasons why kind of approach Eden proposes make wld in all probability evoke negative response and might well put off indefinitely any hopes of achieving either solution of Trieste problem or progress in mil coop field.

6. In light of foregoing we believe that no approach re initiating strategic talks shld be made during Eden's visit but we hope nothing will occur during his visit which would prejudice our initiating such talks within week or ten days after his departure.

ACHESON

[4]Tito's discussion with Nash at Brdo on July 14 is described in Document 645.
[5]Not printed. (768.11/9-1652)

No. 653

768.5/9-1852: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET PRIORITY BELGRADE, September 18, 1952—4 p. m.

380. Eyes only Chief of Mission and senior military attaché. I have just read to Eden Deptel 394, September 17.[2] He is inclined to

[1]Repeated for information to London and Paris eyes only Chiefs of Mission and senior military attachés.
[2]*Supra*.

think subject of military coop will inevitably come up in one form or another during his talks here but he will not force the issue, and if and when question arises, he will make no mention of fact that three powers are contemplating tripartite approach on this subj, will not refer to Tito's conv with Nash, and will carefully avoid making Trieste settlement a condition for mil aid or cooperation. He feels he must refer to obvious fact that improved relations between Yugo and Italy would make any plans for military cooperation in this area more effective, that supply lines to Yugo must come through Italy, etc. I said this would not run counter to statement already made to Tito but I believed Dept was primarily concerned lest Tito gain impression that military cooperation with Yugo was conditioned on Trieste settlement. He assured me he had no intention of giving such impression and was quite satisfied with statement in Secy's letter to him[3] that whatever mil plans may be made under present circumstances would lack ultimate reality in substance.

Eden did not conceal some annoyance on first reading of Deptel 394, particularly since Schuman is pressing him to make conditions re Trieste. He exclaimed, jokingly but with some seriousness, "What am I here for? I may as well go home." However, Dixon and Cheatham joined Brit Amb and me in pointing out that Brit and US positions are not far apart. We both agree that questions re Trieste and mil cooperation should follow separate and parallel courses and that pol pressure should be voided. Conv ended in thoroughly friendly atmosphere.

ALLEN

[3]Reference is to Acheson's letter of Sept. 5 to Eden, the text of which was sent to the Embassy in London in telegram 1617, Sept. 5; see footnote 4, *supra*.

No. 654

Editorial Note

Having arrived in Belgrade on September 17, Foreign Secretary Eden had two conversations with Marshal Tito on September 18. The British Embassy in Washington gave to the Department of State copies of telegrams it received from Eden describing these talks. These copies were attached to a brief covering memorandum from Perkins to Acheson, September 20. (750G.00/9–2052) They were also the basis for the Department of State's summary description of the September 18 Eden–Tito talks contained in telegram 2051 to London, repeated to Belgrade, Rome, and Paris, September

20. (750G.00/9–2052) The discussion of the Trieste issue by Eden and Tito in a subsequent conversation at Bled on September 22, as Eden related it to Ambassador Allen, was described in telegram 416 from Belgrade, September 25. (750G.00/9–2552) Eden left Yugoslavia on September 23 for a visit to Vienna before returning to England. In telegram 447 from Belgrade, September 29, Allen said that Bebler had discussed with him the Yugoslav reaction to Eden's visit, which Bebler had called an "enormous success." (641.68/9–2952) For Eden's recollection of the visit, see *Full Circle*, pages 200–203.

No. 655

768.5/9–2552: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET BELGRADE, September 25, 1952—3 p. m.

417. During final talk between Tito and Eden, Tito expressed surprise that Western Powers had not followed up Yugo readiness to enter into mil conversations. Tito referred to his several talks with United States and United Kingdom military officials, going back to his conversation with Gen West at Bled over a year ago.[2]

Eden referred to necessity for coordinating mil matters among three govts, which required much time.

. . . . . .

My Brit and French colleagues are agreed that it wld be preferable, whenever we are ready mil talks, for us to take matter up with Dep FonMin Bebler rather than make another joint pilgrimage to Tito, who is not expected to return to Belgrade until after party Congress in Nov. We also think it preferable to call on Bebler separately since joint call can hardly be kept secret.

ALLEN

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[1]Repeated for information to London, Paris (for MacArthur), Rome (for Unger), and Frankfurt (for Handy) eyes only for Chiefs of Mission and senior military attachés.

[2]For documentation regarding this conversation, see *Foreign Relations*, 1951, vol. IV, Part 2, pp. 1845 ff.

No. 656

Belgrade Embassy files, lot 56 F 149, "Chron. Files Sept.–Oct. 1952"

The Director of the Office of Eastern European Affairs (Barbour) to the Ambassador in Yugoslavia (Allen)

TOP SECRET
OFFICIAL–INFORMAL

WASHINGTON, September 26, 1952.

DEAR GEORGE: By the time you get this letter I hope we will be well on the way to concluding the diplomatic approach to Marshal Tito on the question of the military talks. In the meantime, I wished to let you know that your thoughts as expressed by Jake Beam in his telegram 342 of September 12,[1] and seconded by Condon's telegram Yug 788 of September 13,[2] have not been ignored.

While we recognize that the approach suggested by you represents a forceful and dynamic presentation perhaps more likely to appeal to the Yugoslavs in initiating military discussions with us, the formula set forth in the agreed terms of reference and agenda compiled by the Tripartite Military Meeting in Washington represents in essence a compromise of a number of conflicting views as regards the proper way to approach the Yugoslavs. As a compromise, it represents in our view the most far-reaching statement of our common purposes upon which it is possible for the United States, the United Kingdom and France to agree at the present time. Therefore, we feel obliged to concur with the view set forth in G–2's reply to Colonel Condon,[2] to the effect that it is not now desirable to try to amend the terms of reference.

Notwithstanding the above, and recognizing that you on-the-spot are much better equipped to judge the best tactical approach to the Yugoslavs, we envisage that General Handy will have considerable latitude in this discussion with the Yugoslavs. . . . We anticipate that in his presentation of the Tripartite position he will be guided by advice concerning the most effective line to utilize, not only from his British and French advisers, but also from discussions with you, General Harmony and US attachés. We cannot formally put this to the British and French of course, but it might well be appropriate for you to discuss it informally with your British and French colleagues.

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[1]In telegram 342, Beam reported that the Embassy had received neither the terms of reference nor the agreed agenda from any U.S. source, but had been furnished a copy informally by the British Ambassador a short time before. In the absence of Allen and Condon, Beam summarized the reservations which they had expressed to him regarding the terms of reference. (768.5/9–1252)

[2]Not found in Department of State files.

Another consideration which has led us to believe that it would not be desirable to endeavor to amend the terms of reference at the present time, but which does not appear anywhere on the record, is one which has been and must continue to be taken into consideration in all matters concerning these proposed military talks with the Yugoslavs. . . .

Sincerely yours,

WALLY

No. 657

768.5 MSP/10-752: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

SECRET BELGRADE, October 7, 1952—5 p. m.

484. Deputy Foreign Minister Bebler asked British and French Ambassadors and myself to call on him yesterday to inform us of critical situation faced by Yugo economy and to urge speedier action on tripartite aid program.

He pointed out that whereas Yugo received $29 million in econ aid from United States in June, 1951, and $50 million from tripartite aid during second semester of 1951, Yugo had received no aid during second semester of 1952 although drought this year was more severe even than in 1950. He said reserves of raw materials were becoming desperately low. As example, he said Yugo had coke for only 22 more days and cotton for 30 days. He said one factory after another would close down if raw materials were not received very soon.

Bebler made three specific requests: First, prompt signing of tripartite aid agreement; second, acceptance of Yugo point of view that wheat and basic raw materials should take precedence on shopping list over "non-essentials" and technical assistance; and third, immediate help, "on account", in obtaining cotton, wool and hides, to enable textile and leather factories to continue operation. He emphasized that even if orders for cotton, wool and hides were placed immediately, they would not arrive in time to keep all factories open because these materials come from distant source. He said Yugos had counted on tripartite aid in time to place orders six weeks ago. He now hopes United States, United Kingdom and France might be able to do what United States did last year when

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[1] Repeated for information to London.

it most helpfully found surplus cotton in Greece which could be sent to Yugo immediately.

British Ambassador pointed out that delay in signing aid agreement had resulted from Yugo refusal to accept original tripartite *aide-mémoire* of July 10.[2] He admitted that present delay was due to necessity for final approval of latest draft by British Cabinet but expected this in few days. As for shopping list he said British felt that despite crisis caused by drought, Yugos should not neglect long-term improvements in agriculture which required irrigation work, technical assistance, etc. He pointed out that Yugo had agreed to both agricultural development and technical assistance during tripartite negotiations at Bled this summer.

I suggested that Yugo reps in Washington, London and Paris be instructed to discuss urgent need for raw materials with appropriate authorities there. French Ambassador said he did not think France was involved since none of materials needed come from France.

Our comments will follow.[3]

ALLEN

[2]Not printed. See Document 648.
[3]See telegram 489, *infra*.

No. 658

768.5 MSP/10-852: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

SECRET BELGRADE, October 8, 1952—noon.

489. Embtel 484, Oct 7.[2] Appeal by Bebler re econ aid appears to have resulted at least in part from dispute which has arisen between Francis Mudie and Dep FonMin Crnobrnja over Brit shopping list. US and French dels have agreed put emphasis on urgently needed food and raw materials but Mudie seems determined force Yugos to adopt his own ideas and is holding out for irrigation works and tech assistance on Brit list. Mudie's general approach during past year has been to delay aid program wherever possible and make Yugos "bow the knee". He recently asserted to *New York Times* correspondent he had Yugos eating out of his hand. He has now gone off on two weeks leave, with indication to Yugos nothing can be done in his absence.

[1]Repeated for information to London and Paris.
[2]*Supra*.

Tactics being used by Mudie, supported by Brit Amb, may achieve some apparent temporary success in rendering Yugos more tractable but he represents type of Colonial official who held on too long in India and whose Nineteenth Century outlook was primary cause for spread of communism in Orient. I have reminded Brit Amb that Brit themselves wld be first resent Mudie's tactics if US applied them in our aid policy towards UK.

Bebler attempted to involve French Amb and me in essentially Brit-Yugo dispute. Since Yugos know we and French have been ready sign aid agrmt for several days, only part of his request which concerned US was urgent Yugo need for raw materials, which Yugos cld have pressed with our econ del and which in fact they have already presented.

As soon as tripartite agrmt is signed, US, UK and French aid programs will be administered individually and there shld be less occasion for us to be concerned with Brit shopping list or Mudie's quarrels.[3]

ALLEN

[3]After the British Government indicated its readiness to sign the aid agreement, it was announced in Belgrade on Oct. 13 that the three powers and Yugoslavia, by an exchange of letters, had confirmed their understanding as to the basis on which tripartite aid was to continue for the 12 months from July 1952 to June 1953. The text of the agreement was not made public. The text of the tripartite communiqué issued in Belgrade, Oct. 13, as well as the text of the official Yugoslav news agency statement that day, were sent to the Department of State in telegram 558 from Belgrade, Oct. 18. (786.5/10–1852)

No. 659

768.5/11–1852: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET PRIORITY BELGRADE, November 18, 1952—noon.

712. No distribution outside Dept. On opening day, Nov 16, tripartite mil talks proceeded very much according to plan. Gen Handy made opening statement that purpose of talks was to learn Yugo situation as fully as we cld in order that tripartite mil group in Wash cld undertake tripartite contingency planning, based on reports of present talks.

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[1]Repeated for information to Paris and London eyes only Chiefs of Mission and senior military attachés.

Yesterday, Nov 17, subject of purpose of talks came up again and Gen Handy repeated his understanding of purpose several times. Dapcevic referred several times to fact that exchange of info must be mutual. Handy agreed and promised to give our appreciation as soon as ready. He urged that meanwhile talks shld proceed according to agreed agenda. It soon became evident that Dapcevic was stalling, under instructions. . . . Talks appeared to be bogging down and short recess was agreed upon.

Following resumption, Handy promised report from our side today, and talks proceeded somewhat better.

It seems clear that two considerations are bothering Yugos. First, and I believe most important is Yugo fear that talks are designed by us merely to get as much info as possible and give as little as possible. Second may be Yugo concern over what we will pass on to other powers. Second point shld be cleared up today, in view of Paris 71, Nov 17, 7 p.m.[2] My Brit and French colleagues and I will doubtless see Kardelj later today.[3]

Prior to opening of talks, Brit Amb told Handy he thought group shld be kept small as possible, but he then asked Handy if he wld take all three senior Brit service attachés with him, at least to first meeting. Handy asked Brit Amb if he wld be embarrassed if all three were not included. Brit Amb said "yes, a little." Handy agreed to take them all, and all three Brit, together with French attaché, have been present at each subsequent meeting. This seems likely to continue and is causing no particular trouble. Handy has been accompanied at each meeting by all officers he brought from Frankfort, but without either Harmony or Condon. However, Capt Vracarich of Harmony's staff has been present at all meetings as interpreter.

ALLEN

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[2]Not printed. (768.5/11-1752)

[3]In telegram 713 from Belgrade, Nov. 18, Allen reported that he and the British and French Ambassadors had informed Kardelj that day that in order to be certain that there was no misunderstanding regarding the subject of information concerning the military talks to be passed on to other countries, their governments wished to assure the Yugoslav Government that no information of substance furnished by Yugoslavia during the course of the military talks would be divulged to anyone without Yugoslavia's consent. Kardelj had expressed his government's appreciation for this assurance. (768.5/11-1852)

No. 660

768.00/11-1952

Memorandum of Conversation, by the Acting Secretary of State[1]

SECRET [WASHINGTON,] November 19, 1952.

Subject: Yugoslav Affairs

Participants: Mr. Vladimir Popovic, Yugoslav Ambassador,
Dr. Mirko Bruner, First Secretary, Yugoslav Embassy,
Mr. David Bruce, Acting Secretary of State,
Mr. Walworth Barbour, Director, Office of Eastern European Affairs.

Ambassador Popovic called on November 19, by appointment made at his request. He first summarized his impressions of the Yugoslav situation in general as ascertained during his recent visit there. Briefly, he stated that despite the various problems still confronting Yugoslavia, he had noted a considerable improvement since his previous visit a year ago in the country's unity and determination to resist the external threat facing it and to ameliorate economic and political conditions internally. This improvement he attributed to numerous political and economic measures which have been taken during the past year with a view primarily to removing obstacles to development in both fields which had arisen as a result of Yugoslavia's previous close adherence to the Soviet system and to increased production. He noted Mr. Eden's visit to Yugoslavia and the fact that Tito will pay a return visit to England.[2] He particularly mentioned that military talks which the Yugoslavs have been conducting with the Greeks and Turks and stated that he hoped these developments were agreeable to the US.[3] He added that there was, of course, some speculation in Yugoslavia, as elsewhere, as to whether the advent of a new administration in the US would adversely affect US-Yugoslav relations.

I said that we do look with favor on the developing relationships between Yugoslavia and Greece and Turkey and expressed doubt that the nature of US and Yugoslav relations is such as to be appreciably affected under a new administration in this country.

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[1]Drafted by Barbour.

[2]For a summary of Tito's talks with British officials during his visit to England in March 1953, as reported by Foreign Secretary Eden to Ambassador Aldrich in London, see Document 676.

[3]For documentation regarding the military talks between Yugoslavia, Greece, and Turkey, see Documents 306 ff.

Ambassador Popovic then mentioned the drought in Yugoslavia, noting that it constituted the second in the last three years and, in emphasizing the seriousness of the situation thereby created, urged the need for US assistance. He asked specifically when a decision in that connection might be forthcoming and hoped that such a decision would be expedited. I replied that we were aware of the seriousness of this matter and were giving it earnest consideration both here and in consultation with this government in Belgrade and that, while I could not give him any indication of the nature of our probable conclusions or our ability to assist further at this time, I could assure him that those decisions will be taken just as soon as possible.

Ambassador Popovic remarked that in the Yugoslav view, recent indications of increased reasonableness in the Soviet attitude toward the Western world which seemed to be appearing in various quarters did not indicate any real change in the Soviet attitude and was merely for the purpose of lulling the West into quiescence. He felt that the time might come when talks with the Soviets might be fruitful in solving existing issues but that that time is not now.

I said that his analysis conformed largely to our view and that we see no evidence at present that the Soviets are prepared to take concrete action to solve existing problems.

The Ambassador then referred to Korea, inquiring whether, in the present circumstances, we thought a settlement to be possible, and seemed to imply that a postponement of consideration might be advisable or necessary. (The Ambassador's exposition did not make it clear whether his reference to the settlement related only to an armistice or whether he was thinking in more general terms.)

I replied that the only issue apparently involved in the armistice situation at this time is that of the prisoners of war and that this Government is firmly determined on the principle of no forcible repatriation. I added that there seemed to be little point in my going into detail on this matter, particularly in as much as things are moving rapidly in New York and the situation is changing all the time. I noted that the Indians had tabled a resolution which is somewhat confused and remarked that the Secretary is talking to a number of other delegations in connection with this problem today. I stated that we definitely do not want any postponement of consideration of this matter.

In conclusion, we discussed briefly the health of Mr. Kidric and Yugoslav efforts to obtain medical assistance for him, noting that two British doctors had already arrived in Belgrade and that the Embassy, with the Department's assistance, is in touch with

Georgetown Hospital with a view to arrangements being made for additional American help.

DAVID BRUCE

No. 661

768.5/11-2052: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET BELGRADE, November 20, 1952—5 p.m.

726. No distribution outside Dept. Milit talks terminated this morning. There was agreement that any arrangements for subsequent talks wld be left for respective govts to determine.

While much useful info was obtained, Yugos were by no means as full and frank as Gen Handy wished, and at one point talks became rather warm, due chiefly to Yugo repeated accusations that we were demanding more operational and strategic info than we were willing to give. Nevertheless, talks accomplished their essential purpose since contact on planning level was established and ground was laid for continuation. Moreover, we have at least followed up Tito's initiative in suggesting these talks.

. . . Handy made it entirely clear, finally in blunt but always friendly manner, that he was not in position to give any commitment in this regard. . . . Dapcevic expressed confidence that considerable further progress cld be made but that it depended upon certain policy decisions at govt level.

Throughout conversations, Dapcevic made frequent slighting remarks re Itals, sometimes of highly derogatory nature. After consultation with me, Handy took occasion yesterday to point out that purpose of talks was to discuss Yugo milit potential and not Italy. He pointed out that if he continued to remain silent on this point, record might imply that he acquiesced in Yugo remarks. He wished record to show that he objected to introduction of recriminations against Allied power. He said we wld make same point if, during any talks in Rome, Itals made similar remarks re Yugos.

Both Brit and Fr have expressed much admiration for Handy's conduct throughout conf. Three Brit service attachés, Fr milit attaché, and all Handy's group from Frankfurt were present at each mtg, but Handy was sole spokesman for our side during formal sessions and Dapcevic alone spoke for Yugos.

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[1]Repeated for information to Longon, Paris (for Reinhardt), Rome (for Unger), and Frankfurt (for Handy) eyes only for Chiefs of Mission and senior military attachés.

Handy's straightforwardness, even temper, and pleasant but firm approach were precise qualities needed for this job. He and his group have enhanced US prestige greatly through their conduct of these difficult negots.[2]

ALLEN

[2]Handy's report on these talks is summarized in Document 673.

No. 662

768.5/12-1852

Memorandum by the Director of the Joint Staff of the Joint Chiefs of Staff (Cabell) to the Secretary of Defense (Lovett)[1]

TOP SECRET WASHINGTON, 12 December 1952.

Subject: Report of Tripartite Exploratory Military Discussions with Yugoslavia

1. General Handy, Deputy United States Commander in Chief, Europe, acting as representative of Great Britain, France and the United States, recently conducted military discussions with the Yugoslav Government. . . . A report of General Handy's discussions has been received and is now under study.

2. As one of his recommendations, General Handy has urged that the Tripartite Powers communicate in the near future to Yugoslavia:

a. Their gratification that the initial exploratory military conversations have taken place;

b. That General Handy's report of those conversations is under study; and

c. That from the report, they note that General Handy left with the Yugoslavs certain general suggestions as to how to proceed toward further planning and intimated that Yugoslav counter-suggestions on this point would be welcomed.

3. The Joint Chiefs of Staff consider this proposed action sound. Accordingly they recommend that you notify the Secretary of State of their views on this matter and that you recommend that the United States, in coordination with France and the United King-

[1]Transmitted to the Secretary of State as an attachment to a letter of Dec. 18 from Acting Secretary of Defense William C. Foster, in which Foster noted that he concurred in the recommendation it contained.

dom, make the proposed approach to the Yugoslav Government at an early date.

For the Joint Chiefs of Staff:
C.P. CABELL
Lieut. General, USAF

No. 663

768.5/12-2252: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET BELGRADE, December 22, 1952—6 p.m.

878. No distribution outside Department. Embtel 873, December 20.[2] After formal presentation to Kardelj of text re Handy talks, Kardelj remarked that Yugoslav Govt had already studied report of Handy conversations and was giving thought to question how they might be followed up most profitably. He said Yugoslav Govt was inclined to think military authorities could make little further progress until certain understandings had been reached among four governments on political level.

French Ambassador asked Kardelj if he would care to be more specific. Kardelj said he had not contemplated entering into discussion on this point and had no brief prepared. He thought a further meeting for such discussion wld be useful. However, we [*he*?] thought Handy talks had not proceeded as far as either side had hoped, chiefly because participants on neither side seemed to know what goal they were seeking. . . . Kardelj said planning would have to be entirely different depending on what eventualities were envisaged. He said Yugoslav authorities were also coming up against this difficulty in their military talks with Turks and Greeks. He hoped, of course, that Yugoslavia would not either have to defend itself alone or "become another Korea". (In mentioning

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[1]Repeated for information to London, Paris, Rome, Athens, and Ankara eyes only Chiefs of Mission and senior military attachés.

[2]Telegram 873 reported that Allen and his British and French colleagues had given to Kardelj that day the text of a brief communication, for the Yugoslav Government's concurrence, which the three governments planned to make to the Greek, Italian, and Turkish Governments, summarizing the results of the Handy talks. Kardelj said the text seemed entirely acceptable to him and he would give a definite official reply in the near future. (768.5/12-2052) In telegram 874 from Belgrade, Dec. 21, Allen reported that Kardelj had just given Yugoslav formal concurrence. (768.5/12-2152) The communication regarding the Handy talks was given to the Italian Government on Dec. 24, to the Greek Government on Dec. 23, and to the Turkish Government on Dec. 26.

Korea, I presume Kardelj had in mind a localized war with outside assistance.)

I commented that conversation was getting into very deep water involving decisions which could only be made on highest governmental levels. I asked why military could not plan for various eventualities even though basic political decisions had not been made.

Kardelj said Yugoslav Govt did not believe any attack in Europe could remain isolated. He commented that in view of strong and highly important defense United Nations had made against aggression in Korea, he now believed that further Cominform aggression anywhere would lead to general war. He could not say, in case of attack against Yugoslavia, whether general war would result immediately or after some delay, but he felt certain that Western powers would not permit Cominform to extend its control any further. . . .

French Ambassador commented that isolated attack and isolated war were not same thing. Kardelj agreed, and said that if Yugoslavia had to contemplate fighting isolated war alone, there would be no need for continuing military planning. I commented that alternative plans to meet various contingencies was normal military practice and raised question whether planning might not be useful, even on hypothesis of isolated war as one possibility, since measures of assistance were possible to a victim of aggression short of formal declaration of war. . . .

Conversation ended with insistence by all participants that views expressed had been personal and entirely informal. Kardelj, however, would not have raised this sort of matter with us unless it had been the subject of active consideration by Tito and his immediate advisors. This is confirmed by difficulties being experienced by Turk military delegate, told me by Turkish Ambassador reported separately.[3] I am unable to say how far Yugoslav Government thinking on this has crystallized but concept that some political understanding is precondition to fruitful followup to Handy conversations has probably not been advanced lightly.

ALLEN

[3]Reported in telegram 880 from Belgrade, Dec. 22. (768.5/12-2252)

No. 664

665.68/12-2652

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Assistant Secretary of State for European Affairs (Perkins)[1]

TOP SECRET [WASHINGTON,] December 26, 1952.

In my opinion the action of the Yugoslav Government a few days ago in seizing a number of Italian fishing vessels[2] is the straw that breaks the camel's back, and faces us with a fundamental decision with respect to our relations with Yugoslavia. I do not see how we can continue as we are at present particularly with the Italian elections coming around next Spring. I believe that Ambassador Allen should be instructed to speak to Tito along the following lines. This is, of course, very rough and will need to be polished up.

1. We have been unhappy about the state of relations between Italy and Yugoslavia and have been criticized by our Italian allies for leaning too far in the direction of Yugoslavia while those relations remain unsatisfactory.

2. In spite of this, we have sincerely endeavored up to now to improve our relations with Yugoslavia. While we do not agree with many of their policies and actions, we have gone on the assumption that the fundamental interests of our two countries are parallel, particularly when both of us and the rest of the world are under the shadow of the Soviet threat.

3. As Tito knows, neither in respect to him nor in respect to any other government have we endeavored to assert pressures or to impose political conditions to any aid which we have extended—military, economic or financial. The countries of Western Europe can testify to this in connection with Marshall Plan aid and Mutual Defense Assistance. Tito himself can testify to it in connection with the various aid programs which we have extended to Yugoslavia.

4. In accordance with our humanitarian tradition, only last week the US Government approved the program of aid for Yugoslavia in connection with their present serious drought.[3] We had hoped to inform the Yugoslav Government of this decision and to implement this program at once.

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[1]Copies were sent to Barbour, Byington, Williamson, and MacArthur.

[2]The Yugoslav seizure of Italian fishing vessels is described in telegram 916 from Belgrade, Jan. 5, 1953. (665.686/1-553)

[3]In telegram Musto 194 to Belgrade, Dec. 24, the Mutual Security Agency informed the Embassy that a decision had been reached on Dec. 22 to extend $20 million in supplemental aid to Yugoslavia. (768.5 MSP/12-2452)

5. At the same time, as we were reaching this decision, the Yugoslav Government seized a number of Italian fishing vessels. We do not wish to argue the merits of this case. We do wish to say, however, that taken on top of other matters, including failure to reach a satisfactory solution of the Trieste problem and the recent severance of relations with the Vatican, this latest step puts us in a position which it is impossible for us any longer to ignore.

6. As stated before, we are not trying to impose conditions or tell Tito what he should do. He should know, however, that it is not possible for us to have the kind of relations with him which we would like to see and have him at the same time carrying on a running fight with one of our most important allies. It is up to Tito to decide.

7. We intend to keep this approach secret and will not discuss it with any other government.

No. 665

768.5 MSP/12-3152: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, December 31, 1952—6:16 p. m.

835. Eyes only Ambassador. Decision to extend supplemental drought aid to Yugo (Deptel 824[2]) was reached only after careful consideration of overall Yugo econ picture with view to making available minimum assistance that wld enable tripartite econ program to go forward without serious impairment to important US objectives in Yugo. However we are concerned lest Yugos interpret our assistance at this time as indication we condone recent bombastic statements by Tito and other unhelpful Yugo actions. We therefore plan to accompany announcement which will be made prior Jan 13 re drought aid with some plain talk to disabuse Yugos of any such misconception and also with view to impressing upon them in connection with future assistance programs that cooperation is two way street.

Since Amb Popovic has recently taken initiative in discussing drought aid with UnderSec Bruce,[3] latter will call in Popovic on

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[1]Drafted by Thurston and cleared with Barbour, Byington, Bonbright, Perkins, Matthews, and Bruce.

[2]Telegram 824, Dec. 29, notified the Embassy in Belgrade that the British and French Governments were being requested to join the United States in extending supplementary aid to Yugoslavia and were being told that the sum of $20 million which the United States had decided to provide would meet only the essential minimum needs. (768/5 MSP/12-2952)

[3]See Document 660.

date of announcement and in substance tell him that although for humanitarian reasons we have decided to extend supplemental food aid to his Govt, we wish at same time to protest the tone taken by Tito in recent speeches in which he implied that he was getting no help from us and making veiled threats about "another outcome."[4] UnderSec will also refer to deep interest of US in Italo-Yugo *rapprochement* as indispensable link in erection strong collective security system against Sov aggression that part of Eur and emphasize our serious concern re recent Yugo moves which have effect increasing friction between Yugo and our NATO ally, Italy (break with Vatican, fishing boats, etc.).

Bruce's remarks will be prepared in advance and cabled to you with view your simultaneously taking similar line with Tito.

We believe that this *démarche* will be more effective coming from US Reps alone and do not contemplate discussing it with Brit and Fr.

In view foregoing it will be necessary for you remain Belgrade at least through Jan 12 and you shld adjust travel plans mentioned your ltr Dec 26[5] to Barbour accordingly.

ACHESON

[4]These remarks were made by Tito in his speeches at Smederevska Palanka, Dec. 16.

[5]Not found in Department of State files.

No. 666

768.5 MSP/1-553: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State

TOP SECRET NIACT BELGRADE, January 5, 1953—5 p. m.

919. Department's 835, December 31.[1] Embassy concurs that unless notification to Tito of additional aid is accompanied by disclaimer, further grants at this time might be construed as condoning Tito's recent actions and public statements. We have frequently stated that no political conditions were attached to our economic and military aid to Yugoslav Government. It is equally important to make it clear that no political approval is involved. Embassy believes present occasion is appropriate for plain spoken reiteration of these facts.

At same time, we should be certain that we are on firm ground in what we say re reasons for our aid. While humanitarian consid-

[1]*Supra.*

erations are always involved in American aid, Embassy does not believe these considerations are foremost in our aid to Yugoslavia and that it would be mistake to emphasize humanitarianism as chief basis for our help. Embassy believes primary reason for our aid is to strengthen Yugoslav ability to maintain its national independence against Cominform. Tito is above all a realist and understands this thoroughly. There is serious drought in Hungary but embarrassment to regime there does not cause us any concern.

Tone of Tito's recent speeches has been bombastic. While his reference to "no help from US" referred to present drought and was adequately clarified following day, it was unhelpful and such statements should not be repeated. His reference to "another outcome" was foolish, and he should be made aware of US reaction. While indications in foreign press that it implied threat to return to Cominform are not correct, he was pointing out, in bravado fashion, that Yugoslavia would "go Italian" rather than be dictated to by either Moscow or West. Such boasting, while made chiefly for local consumption, is not conducive to improving US-Yugo relations and we should say so.

As re Ital-Yugo relations, Embassy doubts that tying national issue of this kind to economic aid is best method of obtaining favorable result. Certainly we should not refer to break with Vatican in connection with Ital-Yugo relations since Tito's chief contention has always been that Vatican is identifiable with Italy and we would merely confirm his thesis. On question of fishing boats, see Embtel 916, January 5.[2]

We suggest that Tito and Popovic be informed (1) that our aid is not to be construed as implying approval of policies of Yugoslav regime, with particular reference to recent statements and acts, (2) that we expect generous public statement by Tito, without qualifications, expressing appreciation for this aid, (3) that international cooperation is a two-way street, and (4) that Americans are definitely not impressed by references to "other outcome".

ALLEN

[2]See footnote 2, Document 664.

No. 667

768.5 MSP/1-753

Memorandum of Conversation, by the Under Secretary of State (Bruce)[1]

TOP SECRET [WASHINGTON,] January 7, 1953.

Subject: Yugoslav Affairs

Participants: Mr. Vladimir Popovic, Yugoslav Ambassador,
Dr. Mirko Bruner, First Secretary, Yugoslav Embassy,
Mr. David Bruce, Under Secretary of State,
Mr. Tyler Wood, Mutual Security Agency,
Mr. Walworth Barbour, Director, Office of Eastern European Affairs.

I informed the Yugoslav Ambassador that I had called him in to discuss the Yugoslav request for additional aid to cover the drought situation and other matters and that I would read to him a statement of certain views of this Government in that connection. While this statement should not be considered an official communication from the US Government, a copy of the text thereof would be made available to him for purposes of convenience. I noted that Ambassador Allen in Belgrade was to see Marshal Tito and talk to him along similar lines, although possibly not in identical language. I then read the text contained in Deptel 842 of January 5, as amended by Deptels 845 and 847 of January 6 to Belgrade.[2]

Ambassador Popovic expressed appreciation of US consideration for the situation created by the drought and said that he did not wish to comment at this time on the magnitude of the problem. He referred to the general substance of the presentation, noting that, while the US did not impose political conditions in connection with the drought aid, the fact that various political issues were included in a single presentation together with the economic aid in fact appeared to constitute a measure of pressure and he would have thought it better to have separated the two matters, following, if we had wished, the announcement of economic assistance by a discussion of political affairs a few days later.

The Ambassador then turned to the specific issues mentioned in my presentation. In regard to Tito's recent speech, he said that

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[1]Drafted by Barbour.

[2]The text of the *aide-mémoire* which Ambassador Allen presented to Tito on Jan. 7 and which was transmitted to Belgrade in telegram 842, as amended by telegrams 845 and 847, is *infra*. Allen described his conversation with Tito at the time he presented the *aide-mémoire* in Document 669.

Tito's remarks and motives had been misunderstood. Tito had not intended to exert pressure on the US or the West generally. On the contrary, Tito, conscious of the importance of Yugoslav-US and the Western relationships, had endeavored to emphasize the necessity for close political cooperation between Yugoslavia and the West. In regard to Italy, Ambassador Popovic continued that Yugoslavia was well aware of the issues between the two countries and is convinced of the importance of defense arrangements in southeast Europe in the face of the threat of Soviet aggression. Without specifically mentioning Trieste, he said that Yugoslavia had made many offers to settle the problem, which had not been met by the Italians. Referring to the mention of Italy's membership in NATO, he felt that reference to Italy's NATO relationship in the context of this presentation risked arousing suspicions concerning the nature of NATO aims, which would be unhealthful in present circumstances. Yugoslavia, he said, is fully prepared to assume its responsibilities in regard to the defense of Southeastern Europe and is, in fact, working hard in that direction, actually limiting the amount of subsistence available to her people in an effort to divert resources to her defense establishment. He hoped that Yugoslavia could be regarded as an ally in our joint defense effort and would be treated as such in discussions involving political problems in the area. Yugoslavia continues to regard the best means of solution as direct negotiations with Italy and Tito has reaffirmed Yugoslavia's attitude to that effect, as reported in the press today.

In conclusion, the Ambassador inquired whether it would not be possible for Ambassador Allen in Belgrade not to make the presentation to Marshal Tito in the manner we had done here, but rather to separate the announcement of additional economic assistance and the discussion of political matters by several days. He was informed that Ambassador Allen was believed to be seeing Tito at approximately the same time as our conversation here and that while, as indicated above, he might not make an identical presentation, his remarks would closely parallel those I had read him.

In parting, I again said that this presentation was not being made the subject of an official communication to him or his Government but rather one for discussion between us and added that if he should wish to continue the discussion at a later date I would be glad to do so.

No. 668

768.5 MSP/1-553

The Embassy in Yugoslavia to the Government of Yugoslavia[1]

SECRET [BELGRADE, January 7, 1953.]

AIDE-MÉMOIRE

The Yugoslav Government will recall that upon the occasion of his last call on the Under Secretary on November 19,[2] the Yugoslav Ambassador described the grievous impact upon the economy of Yugoslavia of the recent drought and propounded the need for United States assistance. At that time the Ambassador was informed that the United States Government was aware of the seriousness of the situation and was giving it earnest consideration.

As the Yugoslav Government knows, in the past when resources have been available the United States has consistently aided friendly peoples who through no fault of their own have suffered economic or other severe hardships due to exigencies of weather, disease, or war. This United States policy has had its applicability to the peoples of Yugoslavia in the UNRRA and 1950 food aid programs as well as the tripartite program of assistance.

In accordance with these humanitarian traditions, the United States Government has now been able to arrange for the reprogramming of mutual security[3] funds so as to grant to the Yugoslav Government as extraordinary drought assistance the sum of $20 million.

United States experts have thoroughly studied the situation with officials of the Yugoslav Government and believe that the Yugoslav Government should be able with this additional assistance of $20 million to cope with the emergency. It is understood that estimates and judgments of what the Yugoslav Government might be expected to be able to do in this respect can be made available in detail to the appropriate Yugoslav authorities by MSA representatives in Belgrade. It should be emphasized that these views do not constitute economic conditions to the additional grant but are simply technical suggestions which it is hoped will prove helpful.

As the Yugoslav Government knows, neither in respect to the Yugoslav Government nor any other government, has the United

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[1]Transmitted in telegram 842 to Belgrade, Jan. 5, and amended by telegrams 845 and 847, Jan. 6. (Both in 768.5 MSP/1-653) The amendments are indicated in footnotes below.

[2]See Document 660.

[3]The original text here read "economic aid." The Department of State in telegram 847 requested the Embassy to substitute "mutual security" for "economic aid."

States endeavored to impose political conditions[4] to any aid which it has extended—military, economic or financial. The countries of Western Europe can testify to this in connection with the Marshall Plan aid and mutual defense assistance. The Yugoslav Government itself knows from its own experience that this has been the fact in connection with the various aid programs which have been extended to Yugoslavia.

Notwithstanding this broad policy, which the United States has followed in the past and continues to follow, the United States Government feels impelled to call to the attention of the Yugoslav Government certain factors which are making it increasingly difficult for this Government to pursue its policy of developing mutual cooperation[5] with Yugoslavia.

The United States Government wishes to refer in the foregoing connection to the frequency with which in recent public utterances various high Yugoslav officials have adversely criticized United States policy toward their country and by so doing have in effect attempted to exert political pressure on the United States Government to alter these policies, particularly in the economic sphere. For example, Marshal Tito in recent speeches implied that Yugoslavia was getting no help from the United States in its current economic difficulties and indicated that, faced with this attitude, there was "another outcome" for Yugoslav policy. Such public misinterpretation of United States motives and actions is gravely prejudicial to the development of that mutual understanding which the United States Government desires. This tone, which presents a sharp contrast to the attitude of the United States Government in carefully refraining from attaching political strings to its economic assistance to Yugoslavia, was being sounded at the very time this government was moving toward its decision to grant additional drought aid to Yugoslavia and was in the midst of making the difficult financial rearrangements necessary to provide funds for this purpose.

As the Yugoslav Government knows, one of the fundamental convictions of the United States Government is the necessity to create a strong collective security system against Soviet aggression in all parts of the world including, of course, southeastern Europe. In this area an indispensable link in the establishment of such a system is an Italian-Yugoslav *rapprochement* and the United States has, therefore, a profound and direct interest in furthering the de-

[4]The original text here read "has the United States endeavored to exert pressure or to impose political conditions." The Department of State in telegram 845 requested the Embassy to delete the phrase "to exert pressure or."

[5]The original text here read "closer relation." The Department of State in telegram 847 requested the Embassy to substitute at this point "mutual cooperation."

velopment of friendly relations between Yugoslavia and Italy which it has repeatedly manifested.

For this reason, the United States Government is experiencing increasing concern over the growing friction between Yugoslavia and Italy, its ally in NATO, which has recently become so apparent. In illustration of the bitter feelings which have developed between the two countries, it is necessary only to turn to the failure to reach a satisfactory solution of the Trieste problem, and various inflammatory statements by Yugoslav officials concerning Italy.[6]

It is not intended to pass judgment on the merits of these issues. It is the fact, however, that they have resulted in the deterioration of Italian-Yugoslav relations to their present low point and have worked to place the United States in a position vis-à-vis its Italian ally and the other members of NATO which it is impossible to ignore.

The United States Government has sincerely endeavored to improve relations with Yugoslavia and will continue to do so. While the United States Government does not agree with many of the policies and actions of the Yugoslav Government, it has gone on the assumption that the fundamental interests of the two countries are parallel, particularly when both the United States and the rest of the world are under the shadow of the Soviet threat. Cooperation between the United States and Yugoslavia to be successful must be extended by both sides in a mutual spirit of understanding. It cannot be a one way street. The emergency drought aid which the United States Government is now extending to Yugoslavia has been made available in this spirit.

It is the intention of the United States Government to keep the foregoing expression of its views secret and it will not discuss them with any other government.

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[6]The original text here read "a satisfactory solution of the Trieste problem, various inflammatory statements by Yugoslav officials concerning Italian irredentism, and most recently the seizure by Yugoslav authorities of a number of Italian fishing vessels." The Department of State in telegram 845 requested the Embassy to change this portion as printed here.

No. 669

768.5 MSP/1-853: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State

SECRET PRIORITY BELGRADE, January 8, 1953—3 p. m.

934. Embtel 929.[1] I began with Tito last evening by telling him that I had some pleasant and unpleasant things to say, adding that I knew him to be a man who could take it as well as dish it out and would let him have it straight. He nodded approval.

I traced the history of the request for supplemental aid leading up to our decision and reasons which had prompted us to grant his government 20 million dollars at this time. He expressed lively appreciation and, although he did not comment on the amount, it was evident he was pleased.

Tito listened most attentively as I slowly read to him the *aide-mémoire* in English[2] which was translated word for word by his interpreter, breaking in from time to time with explanations and exclamations. When I read passage about "recent public utterances of various high officials," he explained "You don't mean the others. You mean me." I said "yes."

Tito seemed really astonished at the latter part of sentence accusing him of exerting political pressure on the United States and observed: "That would have been a very foolish thing to do." He then said that the American press and particularly the *New York Times* had both misread and misinterpreted his speech at Smederevska Palanka[3] and wished to comment at length on this when I had finished.

During passage about Italy he was largely silent, breaking in only once to say that if he and other officials had recently publicly attacked Italy, attacks on Yuogoslavia were a daily pastime for Italian officials and Italian press.

Tito followed with particular interest next to last paragraph *aide-mémoire* and agreed heartily that fundamental interest of two countries were parallel with particular reference to Soviet threat and said "I don't expect you will approve all our policies nor do you expect me to approve all yours. I believe you do, however, approve our policy of increasing our military potential against Soviet aggression. So long as you approve that, I am satisfied."

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[1]Telegram 929, Jan. 7, reported that Allen, accompanied by Wallner, had called on Tito at 6 p.m. that day and had read to him the *aide-mémoire*. It very briefly summarized the substance of their conversation and indicated that a full report would be cabled the following day. (768.5 MSP/1-753)

[2]*Supra.*

[3]Reference is to Tito's comments at Smederevska Palanka on Dec. 16.

After I had finished reading the *aide-mémoire*, Tito began to explain his speech at Smederevska Palanka. It would hardly be correct to say he ate crow, since he began by saying that he was not taking back a word he had said, but length and detail of his explanation, which was less convincing at times than at others, showed that he was well aware that his utterances had been indiscreet and badly timed. He said those passages of the speech which had aroused greater indignation in United States were, of course, not directed against policies of United States Government particularly in its overseas aid policy. Italy had been principal target because Yugoslav Government and people had been profoundly disturbed by actions of Italy in attempting to prevent United States from continuing economic and military aid to a neighbor whose geographical position made it first bulwark of Italy's defense. It had been necessary for internal reasons to strike out hard at this and at the same time to warn his people that if Italy's machinations were successful and aid was not received, Yugoslavia would nevertheless survive. He said this was meaning of controversial phrase "other way out." He had in mind, when using this expression, whole series of measures which he had drawn up but which he did not wish at that time to announce in detail, for adjusting his country's economy to surmount effects of drought in absence of foreign aid. They would have included certain reductions in armed forces, all-around belt tightening on part of the "entire population" and other economic measures (which I understood to mean reimposition of rationing). Obviously there was no need to go into these measures in detail at that time but he had felt that note of warning must be sounded. Therefore the "other way out" was not fully explained. Nevertheless, he had been astonished to read that in some quarters, it had even been interpreted to imply desire to seek help from Russia. He had made specific disclaimer in immediately following sentence and he felt such misinterpretation could only be deliberate. He had been equally disturbed to see the phrase interpreted as indicating threat to return to isolationism and neutralism. He said those concepts were abhorrent both to him and to his people. He very earnestly repeated that he wished to take this occasion to state solemnly not only that he would not even if he could return to Cominform fold but that also any form of neutralism or isolation was a practical and moral impossibility for his people.

Tito went on to say that he had welcomed this frank exchange of views because he wanted nothing more than to see continued improvement of United States-Yugoslav relations and that this had been most helpful. He said happy occasion of our having granted additional drought aid called for public expression of appreciation

and forthcoming session of Parliament seemed especially timely. Kardelj, he thought, would bring this out in his address on foreign affairs. I said I thought occasion called for his doing this himself and that that was necessary to clear up misunderstandings. He said program of session did not call for speech by him but he could issue public statement. I retorted lightly that I anticipated that he might be called on to make an acceptance speech during session (this allusion to his expected elevation to presidency amused him greatly. He replied, with hearty laugh, that election was for Skupstina to decide), he indicated that it would be helpful if in expressing his government's gratification for the additional aid he could refer to our statements that no political strings were attached. I pointed out that this was included in statement I had read to him.

Comment: I believe conversation was salutary and clarified atmosphere. Perhaps most significant statement by Tito was his emphatic stand against neutralism. Other subjects covered will be reported in separate telegrams.[4]

Department please repeat other missions as desired.

ALLEN

[4]The part of their conversation in which they discussed security arrangements between Yugoslavia and the West is reported in telegram 935 from Belgrade, *infra*. Their brief discussion of the Trieste issue is reported in telegram 937 from Belgrade, Jan. 9. (750G.0221/1-953)

No. 670

768.5/1-853: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET BELGRADE, January 8, 1953—7 p. m.

935. No distribution outside Department. Following my statement to Tito yesterday that US wished to create collective security system against Soviet aggression in all parts of world, Tito remarked that General Handy had indicated that broadest basis on which he was authorized to discuss joint strategic planning with Yugoslavia was assumption that Yugoslavia would become another Korea in case of attack. Tito said this had made a most unhappy impression on Yugoslavs and that officials who knew about it were still dismayed over it. Tito expressed again his confidence that attack on Yugoslavia would lead sooner or later to general war but

[1]Repeated for information to London, Paris (for Reinhardt), Frankfurt (for Handy), Athens, Ankara, Rome (for Unger) eyes only for Chiefs of Mission and senior military attachés.

said that as long as Western powers were unwilling to go any further than General Handy had been permitted to go, he had felt if necessary to prepare Yugoslav public for fact that they might have to depend principally on their own manpower and resources in case of attack. His only recent public speech is on this subject.

I referred to talk with Kardelj in this regard (Embtel 873 December 20[2]) and said I thought basic problem of Yugoslavian relations with West was precisely this question of collective security and that chief stumbling-block to real progress in this regard was bad Yugoslav-Italian relations, primarily due to quarrel over Trieste. Hence Trieste solution was principal objective to be obtained before wider political decisions could be reached.

Comment: Tito's remarks are further evidence that Yugoslavs are deeply concerned over lack of definite security arrangements with West.

ALLEN

[2]See footnote 2, Document 663.

No. 671

768.5 MSP/1-1053: Telegram

The Ambassador in Yugoslavia (Allen) to the Department of State[1]

TOP SECRET BELGRADE, January 10, 1953—7 p. m.

954. For Harriman. Summary requested Depcirtel 722[2] follows:

I. Political.

MSP in Yugoslavia is directed towards increasing defense potential of Yugoslavia in event Cominform aggression, assuring active Yugoslav participation in maintaining the Balkan defense link between Italy and Greece, and encouraging general westward orientation of Tito regime. Our economic and military aid has enabled significant progress to be made towards achievement of these goals during the second six months of 1952. Our realistic policy, based on calculated risk, appears to be paying off. Tito and his top leaders succeeded, during Yugoslav Communist Party congress in November, in carrying their followers considerably further toward goal of orienting Yugoslav foreign policy westward, and in overcoming previously stated antipathy to the concept of regional pacts.

[1]Repeated for information to Paris for SRE.

[2]Not found in Department of State files.

Military discussions with Greece and Turkey have advanced substantially as far as they can go in the absence of government level commitments. These military developments are one phase of striking improvement in over-all Yugoslav-Greek and Yugoslav-Turkish relations. Similar improvement, without military aspect, has occurred in Yugoslav-Turkish relations. On negative side, Yugoslav-Italian relations have deteriorated. Two chief causes for this have been Yugoslav belief that Italy has been trying to persuade us to discontinue economic and military assistance to Yugoslavia, and unresolved Trieste problem. The western anchor of the Balkan defense line is therefore still not secured.

MSP has fortified Yugoslav will to resist Cominform aggression by supplying needed equipment and supplies (see below). But more important, they no longer believe they will be standing alone in a future conflict. Visits of American military leaders and especially General Handy have been important morale factors among population, even though Yugoslav Government officials were disappointed with results of talks.

Internally, regime proclaims its Marxist orthodoxy. Publicly abjuring bureaucracy and police methods, Yugoslav officials have proclaimed education and propaganda methods for achievement "pure communism". These developments, together with economic and administrative decentralization, have resulted in less tension and fear, but inefficiency of authoritarian Communist state remains. Outcome of regime's efforts to gain increased popular support is still far from clear, particularly in view of religious question, highlighted by severance relations with Vatican. However, there is popular belief that reduction of repressive measures and amelioration of conditions have their origin in American economic and military assistance.

II. Economic.

Economic aid to Yugoslavia during period July–December 1952 ($50 million exclusive of $20 million supplemental aid) is being directed toward strong military establishment capable of withstanding Cominform aggression and toward development of an economy sufficiently productive to support it. This program has enabled Yugoslav Government (a) to support, at necessary levels, its military establishment, and (b) with supplemental aid, now approved, to meet minimum economic requirements following 1952 drought.

Severe impact drought not only wiped out expected achievements balance payments position but necessitated unusual food import program. If drought impact had not been relieved by supplemental aid, Yugoslav Government would have been required divert funds earmarked for defense and defense-support production to food im-

ports. Resultant defense weakening, unemployment, and injury to national morale would have been serious threat to US objectives in Yugoslavia.

Consequently, Embassy Mission recommended additional grant $20 million sufficient meet approximately 50 percent extraordinary food deficit in balance payments position. Yugoslavia will have to absorb balance of deficit by curtailing investments and imports, expanding exports, and use short-term credits, if possible while retaining liberalization internal economy reflected in discontinuance forced grain collections and other restrictive controls.

Recent actions by Yugoslav Government have resulted in decentralization national government administration to component republics, local government, and individual enterprises. Problems production, pricing, marketing, and investment now largely handled locally within broad policies established federal government.

While ultimate effect decentralization on economic affairs uncertain, there are two immediately discernable trends. On favorable side, competition being introduced between individual enterprises and financing plant investment plans are responsibility local enterprises as to use funds, interest and principal repayment. Investment priorities and credit controls, determined by federal agencies. On unfavorable side, this procedure introduces for first time east-west trade problems, as local enterprises, looking for favorable foreign exchange, less likely exercise required concern ultimate consumer. Recent government action promises effective resolution this problem.

Current OSP program still in planning stage. Yugoslav Government now preparing bids on ammunition (75 and 105 mm.). Possibility including Yugoslav shipbuilding capacity FY 1954 program being studied. In addition to usual question of "price, quality and delivery date" strategical considerations must be taken into account.

Recent Yugoslav Government/Mission discussions indicate gradual improvement in Yugoslav Government willingness provide more detailed information, discuss fully matters mutual concern, and utilize TA potential more effectively.

Two major problems are faced. First is long-term cost supporting defense establishment currently planned. Second is cost Yugoslav Government debt service to creditor nations during next two years.

III. Military.

The military equipment thus far received in Yugoslavia has strengthened the armed forces thus enabling them to better resist Cominform aggression.

The forces in the JCS force basis establishment for Yugoslavia for each service are in general already in being or planned for activation. The equipping of selected units of this force is the objective of the military aid program for Yugoslavia and is progressing satisfactorily.

In general the necessary facilities for utilization of and training with US equipment are adequate in this country. Maintenance facilities leave much to be desired.

Yugoslavs are utilizing to the best of their ability military end-items programmed. Unfamiliarity with technical equipment, lack of technical knowledge and a reluctance on the part of the Yugoslav Government to utilize technical assistance from the outside have retarded the effective utilization of other than the simpler items being received.

Continued reluctance on the part of the Yugoslavs to permit free and unrestricted observation of American military aid equipment on hand precludes our assurance that all this equipment is being properly maintained and utilized as required in US directives pertaining to military aid.

ALLEN

No. 672

768.00/2-1653

The Counselor of Embassy in Yugoslavia (Wallner) to the Counselor-designate of the Department of State (MacArthur)

TOP SECRET
OFFICIAL–INFORMAL

BELGRADE, February 16, 1953.

DEAR DOUG: The papers say you are to be Counselor of the Department, and George Allen, who just returned from Washington, reports that this is likely, but that whatever your title you will have a good job in the new setup. I see that you took the trip with the Secretary and Stassen.[1] This is to the good all around, and I am particularly delighted.

I have fallen into a world quite strange to me—Balkan, Communist, dynamic, conspiratorial and on our side of the fence. I am working hard to learn the game and the change of Ambassadors is pushing me a little faster than I would have liked. These people crossed some sort of a watershed late in the fall and we are exhila-

[1] Reference is to the visit to Western Europe by newly-appointed Secretary of State Dulles and Director for Mutual Security Stassen, Jan. 31–Feb. 8; for documentation, see vol. v, Part 2, pp. 1548 ff.

rated by the speed of the descent. This irritates a lot of people in Washington who seem to take it for granted that they should be sliding down our side of the hill—something they fell all over themselves to get them to do—and criticize their clothes and their manners. Neither is good now and neither will ever meet our standards. However, they need us and we need them and they feel stranger about being on our side of the hill than they appear. A great deal, in a hard-boiled realistic way, remains to be done. They are almost ripe for NATO. NATO is far from ripe for them.

There are several interim steps, first of which would seem to be the early resumption of US-UK-French-Yugoslav military conversations on as realistic a basis as possible (I know some of the problems). All such talks point inevitably to the necessity of Yugoslav-Italian military cooperation, which to my mind is next on the must list. There is a better feeling on both sides about this than before, but both sides need to be pushed, not only by diplomatic action, but by constant reiteration of the military facts of life. Trieste, like all territorial disputes, is going to be hard to settle and probably can be settled only in a larger context. For the moment, what with Italian elections etc, the two sides cannot get around a table. Our contacts with Italians are constant, inside and outside NATO. Let us press on with the Yugoslavs in the military sphere in the interim. They are working out some of their southern problems with the Greeks and Turks but I understand that what really interests us is the Ljubljana Gap.

The above may sound amateurish, but one of my troubles here is being kept in the dark about what Washington is thinking. For instance we have never even seen the Handy Report.[2] Many telegrams about Trieste never reach us and we have never had one word about the Secretary's recent conversations in Rome and London (and perhaps Paris) on the subject of Italo-Yugoslav relations on which the Italian Legation and the British and French Embassies are kept fully posted. I am told that the constant row between WE and EE has something to do with this, but if you can manage to remedy the blackout I should be grateful.

[Here follow brief personal remarks.]

WOODIE

[2]For a summary of the Handy Report, see *infra*.

No. 673

76-5/2-2753

Memorandum by the Chief of Staff, United States Army (Collins) to the Secretary of Defense (Wilson)[1]

TOP SECRET WASHINGTON, 20 February 1953.

Subject: Report of Tripartite Exploratory Military Discussions with Yugoslavia.

1. Reference is made to the memorandum by the Joint Chiefs of Staff, dated 12 December 1952, subject as above.[2] The report of the Tripartite Military Representative (General Handy, USA) referred to therein as the Handy report may be summarized as follows:

. . . . . .

f. The Joint Chiefs of Staff consider that no time should be lost in preparing for additional discussions with the Yugoslavs. The favorable atmosphere created by the talks conducted by General Handy should be exploited. It is considered that the Military Representatives of the United States, the United Kingdom and France should reconvene without delay to discuss the Handy Report. The Military Representatives should then reach agreement as to future courses of action to be followed and present these recommendations to their respective governments for approval.

g. The Joint Chiefs of Staff consider that the United States must maintain the security of the substance of the Tripartite talks as desired by Yugoslavia. In this regard the Tripartite powers are committed to the Governments of Greece, Turkey and Italy (See State Department Cables: Paris 1389, Belgrade 596, Ankara 560, Rome 1879, Athens 1427[3]) to provide these countries with such information deriving from the Handy talks as directly concern their national interests. After tripartite military and governmental approval, and after clearance with the Yugoslav Government, the above-mentioned releases will be made to Greece, Turkey and Italy as appropriate.

h. It is considered that the United States, the United Kingdom and France should exchange, insofar as practicable, reports concerning prior Yugoslav conversations. Accordingly, the Joint Chiefs of Staff have directed the Chief of Staff, U.S. Army, within the limits imposed by existing security regulations, to make available to the U.K. and France pertinent reports of prior conversations with the Yugoslavs.

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[1]This memorandum, along with its attachments, was transmitted to Secretary Dulles under cover of a brief letter of Feb. 27 from Secretary of Defense Wilson, in which Wilson said that he had approved the attached recommendations of the Joint Chiefs of Staff.

[2]Document 662.

[3]None printed.

3. In view of the foregoing, the Joint Chiefs of Staff recommend that:

a. The comments contained in paragraph 2 above be approved as the Department of Defense position on the Handy Report.

b. The military representatives of the United States, the United Kingdom, and France be reconvened immediately and in light of the Handy Report, develop a recommended Tripartite position for further military conversations with the Yugoslavs. To effect this meeting, the Joint Chiefs of Staff recommend that the U.S. Military Representative (Chief of Staff, U.S. Army) take prompt action to reconvene the Tripartite Military Committee to review the situation and lay future plans. They further recommend that the Department of State be advised of the action proposed herein.

c. The draft terms of reference and guidance, contained in the Appendix and Annexes "A" and "B" hereto,[4] be approved for use by the U.S. Military Representative in taking the action indicated in subparagraph b above.

For the Joint Chiefs of Staff
J. LAWTON COLLINS

[4]None printed.

No. 674

Secretary's Memoranda of Conversation, lot 64 D 199, "March 1953"

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Barbour)

SECRET [WASHINGTON,] March 2, 1953.

Subject: United States-Yugoslav Relations with Regard to Military Matters, Trieste, and Economic Assistance.

Participants: The Secretary,
Mr. Vladimir Popovic, Yugoslav Ambassador,
Dr. Mirko Bruner, First Secretary, Yugoslav Embassy,
Mr. Walworth Barbour, Director, Office of Eastern European Affairs.

Ambassador Popovic remarked that the Secretary must have been bothered frequently by requests for ambassadors to see him in this busy period and the Secretary replied that he was endeavoring to spread out his reception of ambassadors in order to fit the visits in with his schedule.

Ambassador Popovic said there were three subjects he wished to discuss briefly, namely, military matters, Trieste and economic assistance.

Military

The Ambassador expressed appreciation for American military assistance and the opinion that with such assistance, US and Yugoslav cooperation, as well as Yugoslav cooperation with Greece and Turkey, is appreciably strengthening defense against the threat of aggression. He noted the conclusion of the Greek-Turkish-Yugoslav friendship treaty on February 28 and the fact that military talks in connection therewith were also proceeding.[1] He stated that difficulties in connection with military assistance are being ironed out between the military establishments of the two governments. He urged that the US give consideration to including Yugoslavia in the offshore procurement program, with particular reference to the procurement of small arms ammunition.

The Secretary remarked that delays in deliveries on military items were not confined to Yugoslavia but it is the purpose of the new administration to endeavor to overcome such difficulties as rapidly as possible. He said that the US welcomes the signature of the tripartite treaty, which is a step in the right direction. As to off-shore procurement, the Secretary assumed that the military establishments of the two governments would consider that matter further.

Trieste

The Ambassador said he did not wish to expound on the separate views of Yugoslavia and Italy on Trieste, but he did wish to note that the Yugoslavs felt they have made important concessions in an effort to arrive at a satisfactory solution and that in their view the Italians have been intransigent. He appreciated that the Italians would no doubt tell the Secretary the contrary. He asked whether the Secretary could say anything as to the US position in regard to Trieste. The Secretary replied that he was not in a position to set forth the US views in this matter today, that the US still had the matter under consideration. The Ambassador made the point that he hoped Italy would not be able to use the pressure of her NATO membership, in contrast to the non-membership of Yugoslavia, in achieving Italian gains.

The Ambassador further noted that the Italian attitude of reliance on the March 20, 1948 Declaration[2] as a point of departure

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[1]For documentation regarding the signing in Ankara of a Friendship Pact between Greece, Turkey, and Yugoslavia, Feb. 28, 1953, and the subsequent military talks between the three governments, see Documents 328 ff.

[2]For documentation regarding the announcement by France, the United Kingdom, and the United States, Mar. 20, 1948, that they favored giving Italy control over the entire Free Territory of Trieste, see *Foreign Relations*, 1948, vol. III, pp. 502 ff.

toward a settlement and as a device by which to claim Yugoslav territory is unrealistic and the Yugoslavs could never agree to a settlement on that basis. The Secretary said that Yugoslavia would not be asked to accept a settlement on the basis of the tripartite declaration. He emphasized that the US regards the settlement of the Trieste problem as of importance but noted that it is a relatively minor part of broader and more fundamental problems. He said that Prime Minister De Gasperi had talked about Trieste when he was in Rome but that he had declined to discuss the matter as he was not in Rome for that purpose.[3] The Secretary reiterated that the matter is still under consideration by this Government.

Economic Assistance

Ambassador Popovic referred to the recent drought in Yugoslavia, which is the second major drought Yugoslavia has suffered since the war, and, while noting that US economic assistance has been provided to alleviate the food shortage, said that such assistance in the opinion of Yugoslav economists would cover the period only through May. He added that there is some difference of opinion between Yugoslav and US economists as to Yugoslavia's needs but in the view of his Government, Yugoslavia will need to cover the period from May through this year's harvest additional foodstuffs amounting to 200,000 tons of wheat, 200,000 tons of corn and 20,000 tons of lard. The Ambassador had in mind the possibility that CARE might be utilized to obtain or distribute such foodstuffs as could be procured and, in response to a request for further clarification, indicated that CARE has approached the Yugoslav Embassy with a suggestion that surplus US Government stocks might be available for this purpose. The Ambassador expressed the opinion that despite the differences in view among the respective economists, it might be assumed that a country would not ask for additional foodstuffs instead of raw materials unless such foodstuffs were essential.[4]

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[3]For records of Dulles' conversations in Rome with De Gasperi, Jan. 31–Feb. 1, see vol. v, Part 2, pp. 1551 ff.

[4]In a letter of Mar. 20 to Ambassador Popović, Stassen wrote that the United States was allotting an additional $7 million to Yugoslavia for the procurement of wheat to assist in meeting the effects of the 1952 drought and to maintain Yugoslavia's defensive strength. Stassen noted that this left only $8.75 million available to Yugoslavia from the fiscal year 1953 MSA program. (Secretary's Letters, lot 56 D 459, "W-Z")

No. 675

768.00/2-1653

The Counselor-designate of the Department of State (MacArthur) to the Chargé in Yugoslavia (Wallner)

TOP SECRET PERSONAL WASHINGTON, March 16, 1953.

DEAR WOODIE: In due course I received your letter of February 16[1] and instead of replying to it at once in a perfunctory manner, I put it aside in the hope that I could write you a letter giving my own views on some of the problems which you raised. Alas, since the receipt of your letter I have literally had not a single minute. I have been Acting Senior Staff Member of the NSC (which now takes hours every week) and also have had many other chores and duties.

The purpose of this brief note is simply to let you know how much I appreciate your letter and to promise you that I will write you very soon a long letter.

At the risk of over-simplification, I might simply say here that I think the mental outlook of your clients is and has been evolving steadily in the right direction. I would be lacking in frankness, however, if I did not tell you that I think on occasions we have really not laid it on the line with Mr. T. By this I mean there has been a tendency on this side (particularly among the people in the five-sided building and other US circles) to treat Mr. T as if he had everything that we needed whereas we had nothing that he really wanted. On his side, there has been an equal tendency to behave as if we needed him but he did not need us. Some of his ill-tempered statements and declarations have placed very serious strains upon us. In particular, I think that he should thoroughly understand that we have problems and responsibilities with respect to our NATO allies, particularly Italy, and everything that he does and says to exacerbate relations with Italy simply make unnecessary complications and difficulties for us.

Personally I am convinced that the heart of the whole problem of Yugoslavia's relations with the West now is the question of a Trieste settlement, and I would hope very much that Mr. T would recognize this and show a willingness, when the time finally comes to negotiate, to go half-way.

I hope you will not think that this sounds like preaching or carping because, as I started out by saying, I do believe things have moved a long way in the right direction and will continue to do so.

[1]Document 672.

I will write you sometime soon a more considered letter on all this than the above over-simplified, hasty, and personal thoughts.

[Here follows a brief paragraph of personal remarks.]

Yours ever,

DOUGLAS MACARTHUR, 2D

No. 676

768.11/3-2153: Telegram

The Ambassador in the United Kingdom (Aldrich) to the Department of State[1]

TOP SECRET PRIORITY LONDON, March 21, 1953—4 p. m.

5214. Eden gave me the following résumé of the British Government's talks with Tito this week:[2]

1. Defense. Neither Britain nor Yugoslavia desire admission of Yugoslavia NATO at present. Tito, however, has felt and been concerned by his position of isolation. Result of defense talks was summarized in communiqué issued by UK Government yesterday which included this statement: "The two Governments declared their common interest in resistance to aggression and to the preservation of national independence.

"They undertook to work closely together and with other freedom loving nations to defend peace. They were in full agreement that in the event of aggression in Europe the resulting conflict could hardly remain local in character".

This does not indicate that any promises were made and no commitment was in fact made. It is intended to be mere statement of the reality that war involving Yugoslavia would surely become general.

2. Tripartite military talks. As previously reported British informed Tito tripartite staff talks are in progress in Washington preparatory to resumption of talks with Yugoslavia.

3. Balkan treaty. British told Tito that they consider the Yugoslav-Greek-Turkish alliance very good but at same time lectured the Yugoslavs at length on the necessity that they be on good terms with Italy, both in military matters and with respect to territorial adjustments, in order to make this treaty effective.

4. Trieste. Eden said he very carefully avoided the points which we had wished not mentioned. Possibility of a temporary solution

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[1] Repeated for information to Belgrade, Paris, and Rome.

[2] Tito visited England Mar. 16–20. For text of the communiqué issued on Mar. 20 at the conclusion of his visit, see *Documents* (R.I.I.A.) for 1953, pp. 273–274.

was explored but Yugoslavia stated this would not be acceptable: They insisted that only a permanent solution could be satisfactory. (Popovic referred to fact that Italians have elections every three years and under any temporary arrangement would ask for more each time.) With respect to permanent settlement Yugoslavs have not excluded possibility of minor adjustments but Eden carefully did not discuss details. Tito hinted he might a little later take the initiative in seeking talks with De Gasperi.

5. Albania. British suggested and Yugoslavs completely agreed that situations should be left undisturbed.

6. USSR. Marshal Tito had expressed the view that the situation in Russia had not been greatly changed, for the present, by Stalin's death. He did not think that the new rulers of Russia would be any more anxious for war than Stalin had been, though perhaps for different reasons. They might well, however, step up the pressure of the cold war and, in the Marshal's view, the most powerful weapon in the Western armory was a sincere policy for peace. It was particularly important to avoid any hint of a preventive war in Western propaganda, since this would only serve to unite elements in Russia which might otherwise be disposed to quarrel.

7. Religious questions. Were discussed in general terms and Eden said they found Tito very sensible and liberal. (Tito had fairly long and amicable talks with Archbishop of Canterbury.)

Eden did not tell me that any specific proposals were ventured. Popovic in press conference remarked British leaders were "too polite and correct to make representations."

8. In summary, both British and Yugoslavs were very satisfied with results of visit. Tito has departed feeling more confident that he is no longer in an isolated position. His last remark was that he was "very satisfied and felt visit had been most successful".[3]

ALDRICH

[3]The British Foreign Office furnished the Embassy in London further details of the conversations during Tito's visit. These were communicated to the Department of State in telegram 5261 from London, Mar. 25. (768.11/3-2553) The conversations in London between Tito and British leaders were also the subject of a conversation on Mar. 30 between Wallner and Ambassador Ivo Mallet, who had been in London throughout the Tito visit. A memorandum of the Wallner–Mallet conversation was sent to the Department of State as an attachment to despatch 777 from Belgrade, Mar. 31. (768.11/3-3153)

No. 677

768.00/3-3153

The Chargé in Yugoslavia (Wallner) to the Counselor of the Department of State (MacArthur)

TOP SECRET
OFFICIAL–PERSONAL

BELGRADE, March 31, 1953.

DEAR DOUG: I am the firmest believer in the principle of "No favorites in the Harem". My only argument with the reasoning outlined in your letter of March 16[1] has to do with timing. Things looked last fall as if we had let Tito think we needed him more than he needed us. Then came the Handy talks. . . .

As of the present writing, therefore, I think the question of who needs whom the most need not loom too large as a basic consideration in our relations with Yugoslavia. We should of course be careful that we do not allow it to do so, either by swelling their heads or chilling them to the bone. They play a pretty cool game of poker and appreciate cool poker in the other fellow. Their natural Balkan romanticism is pretty well tempered by their hard-boiled training as Communists, and I see no reason why we should not have satisfactory and realistic dealings with them so long as we keep certain historical and psychological factors in mind.

Relations with Italy will always be a problem until qualities of statesmanship in both countries coincide to bring about a general settlement—something like what happened between Greece and Turkey when centuries of antagonism were finally done away with. Nothing like that can happen until after the Italian elections. Then, if De Gasperi wins by sufficient majority, he may be able to contribute that statesmanship from the Italian side. If he does, I am pretty sure that Tito will meet him halfway. In any case we should be in there pushing hard at that point. But I am equally sure that Tito will not consent to any real concessions to help De Gasperi win the elections. The Yugoslav view is that the Italians have elections too often for them to be able to afford to take the rap each time. I certainly hope that Trieste is settled before the next (and I don't mean May 1953 elections).[2]

I hear George Kennan is out of the running as a successor to George Allen. Wouldn't Sam Reber be a good man for this post if

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[1]Document 675.

[2]In a brief reply of Apr. 12, MacArthur expressed his general agreement with Wallner's views and stated that Tito was being shortsighted in not making concessions to De Gasperi on Trieste, because, if De Gasperi were to lose the elections, the situation in Italy would be chaotic, and this would not serve the interests of Yugoslavia. (768.00/3-3153)

he can be pried loose from Germany? He should have a post of his own now, and this would be a pretty good place for him to begin. He would have a rousing welcome from Monica and me.

[Here follow brief personal remarks.]

WOODIE

No. 678

750G.00/5–1953: Airgram

The Acting Secretary of State to the Embassy in Italy[1]

TOP SECRET WASHINGTON, May 25, 1953.

A–1036. The questions raised by Ambassador Luce in her telegram No. 4797 May 19 to the Department (repeated as 171 to Belgrade[2]) highlight recent developments which have given rise to speculation concerning the impact of the changed regime in the USSR on what has become known as the "Tito heresy", and can only be commented on in that context. In the nature of the problem, no categoric answers are possible, nor would it be prudent to seek them. The following reflects the Department's current thinking on this matter.

The query is valid as to whether a *rapprochement* between Yugoslavia and the USSR might be possible as a result of the removal of Stalin's personality from the scene, together with whatever changes of method or emphasis his death may presage in the character of the Soviet international communist mechanism or the ideological framework which ostensibly supports it. Such evidence as is now available does not indicate that a *rapprochement* between Yugoslavia and the USSR is in the making. On the contrary, there are material considerations which would seem to preclude such a development from the Yugoslav side. From the Soviet side, it is fair to assume that the USSR would like nothing so much as to recapture Yugoslavia, with or without Tito though perhaps preferably the latter. Failing that, the USSR's interest would appear to lie in

[1]Drafted by Marcy and cleared with WE. Repeated to Belgrade and Moscow.

[2]In telegram 4797, Luce asked whether Yugoslavia's recent efforts to enter secret negotiations with Italy regarding Trieste might presage a shift by Yugoslavia back to the Cominform, in that a Trieste settlement acceptable to Italy would help Italian Communist Party chief Palmiro Togliatti and increase the stature of Tito in the eyes of Italian Communists. She also raised the possibility that Yugoslavia's recent tactics regarding Trieste might be designed, on the other hand, to make possible full military, political, and economic agreement with Italy preparatory to a Yugoslav request to enter NATO and to help elect De Gasperi as the only type of Italian leader who would permit closer Yugoslav cooperation within the NATO framework. (750G.00/5–1953)

endeavoring to create doubt in the West regarding Tito's sincerity, his ability to control the situation in Yugoslavia, and/or his ultimate value as an ally.

In analyzing the probable reaction of Tito and of the men around him to the new situation which has been created by Stalin's death and by the apparent new tactics of the successor Soviet regime, a number of factors must be taken into account. These include, without attempting to evaluate their relative importance, (*a*) Tito's sense of self-preservation, and that of his immediate entourage, (*b*) Yugoslav patriotism (both within the Tito regime itself, and on the part of the conscript Yugoslav army), and (*c*) the possible influence of ideologically convinced communists within the Yugoslav regime. As regards the latter, while we have evidence—and common sense confirms—that there are cominformist influences at work within the Yugoslav communist hierarchy, we have no reliable evidence (other than the statements of the Tito regime itself and the even more questionable assertions of Yugoslav political refugees and other parties at interest) that these are significant. On the other hand, we do have reason to believe that such cominformist elements as do exist are well under control. We conclude, therefore, that the course of Yugoslav policy will be determined by Tito and his immediate group of fellow-thinkers and associates, and not significantly influenced by other elements within the Yugoslav party or government which may possibly be desirous of patching up differences with Moscow for ideological reasons.

As regards (*a*) and (*b*), such internal support as Tito has arises largely from his "patriotic" anti-Soviet stand. It is doubtful if even Tito, let alone other lesser personalities, could now lead Yugoslavia back to the Kremlin fold. Be that as it may, it has been apparent throughout our dealings with Tito since the break with Moscow, that he has felt that one of his best cards in dealing with the West has been his ostensible position mid-way between East and West. He has publicly camouflaged his reluctance to commit himself to the West, variously, behind assertions that the Yugoslav public would not tolerate such a move, and claims that his value to the West vis-à-vis the satellite bloc would be compromised were he to become completely identified with the West. It seems more likely, however, that his primary motive has been, and continues to be, to maintain the most advantageous bargaining position. His recent moves to develop and exploit support from socialist and other non-cominformist leftists throughout the world supports this analysis, although it cannot be excluded that Tito has vague aspirations of ultimately leading or inspiring some form of "socialist international". Such aspirations, however, though perhaps real are necessarily subordinate to the more immediate task of ensuring that neither

East nor West overthrows his regime in the pursuit of its own objectives.

In his efforts to maintain a middle position between East and West, and whatever his own ideological aspirations may be, Tito has been plagued by all of the traditional Yugoslav and Balkan foreign policy problems, including that posed by past and possibly present Italian aspirations in the Balkans. While the external manifestations are admittedly different due to the differing political systems, the "Italian problem" is as politically important to Tito as the "Trieste problem" is to the Italian Government. Were Tito to yield to what the Yugoslavs consider Italian efforts to regain a foothold in the Balkans, and particularly were he to do so under ostensible Western pressure, his posture as a Yugoslav patriot, and as the leader of a "national communist" ideology able to hold its own between East and West, would be destroyed. While facing this political reality, Tito has at the same time been forced to recognize that he cannot expect from the West the military and other guarantees he requires without reaching some form of *modus vivendi* with Italy. Given the vital importance of such assurances from the West, we are inclined to believe that Tito genuinely desires an early solution to the Trieste situation, always provided that the solution is not one which will lead directly to his downfall.

As regards timing, in view of the emphasis which has recently been placed on the Trieste issue in the West's dealings with Tito, and particularly in connection with the military discussions between the US, UK, France and Yugoslavia, and given the Yugoslav belief that the West is irrevocably committed to support the Italian point of view, the Department is not inclined to ascribe untoward significance to Tito's alleged desire to achieve a negotiated Trieste settlement prior to the Italian elections. In any event, although May 25 is reportedly Tito's birthday and Prime Minister De Gasperi is expected to make a formal speech on the previous day, the magic of the date would appear to lie in its relation to the Italian elections.

In circumstantial support of our conclusion that a genuine reconciliation with Soviet communism is not in the interest of the present Yugoslav Government, and is not in fact being sought by that Government, the following may be cited:

1.) Ironically enough, the Yugoslav regime seems to be unduly sensitive to the harassment accorded their representatives behind the Iron Curtain as well as, to a much lesser degree of course, to real or fancied harassment at the hands of the West. In consequence, Yugoslav representatives have since Stalin's death consistently maintained that the hoped "formal and correct" relations between Yugoslavia and the USSR could be established in the new

international climate. The call of the Yugoslav Chargé Djuric upon Molotov[3] (which, coupled with Yugoslav-Rumanian negotiations concerning the Danube, apparently prompted the major share of Western speculation concerning a possible *rapprochement* between Yugoslavia and the USSR), was made no secret by the Yugoslavs. The Yugoslavs informed our Ambassador in Moscow concerning the meeting shortly after it took place, and published the news in both press and radio a few days later (May 4 and 5). The only suspicious element in this exchange appears to have been the role of the Soviet Union, which withheld public announcement of the visit until the news was released that the Yugoslavs and Rumanians were reaching agreement on Danubian problems at which time it might have been anticipated that it would make the maximum impression.

2.) As regards the Yugoslav-Rumanian negotiations on the Danube, we have not yet seen the final text of the agreement which was apparently reached, and therefore cannot judge as to which party to the negotiations was the more (or least) conciliatory. We have sufficient background concerning the genesis of the negotiations, however, to know that they were being planned before Stalin's death, and to believe that they arose from purely practical considerations of resolving an economically impossible situation as regards traffic on the Danube.

3.) Although Soviet May Day slogans contained none of the usual attacks upon Tito's regime, those of several of the satellites did, and both Soviet and satellite propaganda has continued without significant abatement, as have border incidents between Yugoslavia and the satellites.

4.) The appointment of a new Soviet Chargé in Belgrade cannot yet be evaluated. However, it is significant, we believe, that the move required only Russian initiative, that it prompted sufficient Yugoslav concern for them to call it to our attention (through the rather transparent device of inquiring whether we had knowledge of any MVD connection on the part of the chargé designate: information which, in view of the record of the individual concerned, the Yugoslavs are in a much better position to have than are we), and that such a move is much more apt to be ascribed significance by the West than to reflect any real significance so far as Soviet intentions are concerned.

5.) We have no information concerning the purpose of the recent conference of Yugoslav Ambassadors from Western Europe and the

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[3]An account of Ambassador Bohlen's report on the meeting between Soviet Foreign Minister Molotov and Yugoslav Chargé Djuric was transmitted in telegram 1543 from Moscow, Apr. 30. (661.68/4-3052)

Middle East. While press speculation commented upon the absence of the Yugoslav Ambassador to Washington, it is perhaps significant that he had returned to Belgrade only last fall. The circumstances of the conference, particularly its time relationship to the Italian elections, to De Gasperi's bid for Soviet support on Trieste, and to developments in the military relations between the West and Yugoslavia, strongly suggest that the conference was as concerned with Tito's relationship to the West as with his relationship with Moscow.

(6) It is perhaps not without significance that the USSR succeeded only a year ago in provoking disquiet, both in the West and in Yugoslavia, by tactics designed to suggest that a *rapprochement* between the USSR and Tito was not impossible. Given circumstances in which the USSR had ample reason to suppose that the West was bringing pressure upon Tito to yield to the Italians over Trieste, it is plausible that the USSR might well see and endeavor to exploit an opportunity to sow dissension in the West by so acting as to suggest that Tito's "heresy" might be forgiven by the Kremlin. Such a tactic might appear to the USSR particularly opportune in view of the Yugoslavs' uneasiness at the delay in the appointment of a new US Ambassador to Belgrade, which the Yugoslavs (and possibly also the Kremlin) tend to interpret as a manifestation of Western displeasure with Tito.

SMITH

No. 679

768.5/6-353

The Assistant Secretary of Defense (Nash) to the Secretary of State

TOP SECRET WASHINGTON, June 3, 1953.

DEAR MR. SECRETARY: Appended hereto is a statement of the agreement which General J. Lawton Collins, Chief of Staff, U.S. Army, acting as U.S. Representative in conducting tripartite military conversations with regard to talks with Yugoslavia, reached with designated United Kingdom and French representatives on 22 May 1953. This Appendix consists of recommendations to the three Governments (U.S., U.K., France), and additional terms of reference, which favor the resumption of Tripartite-Yugoslav military conversations on a covert basis in Washington, D.C., as soon as possible after the Italian elections (7–8 June 1953). General Ridgway was consulted personally in the preparation of this Tripartite military position and account therein has been taken of his views.

The Joint Chiefs of Staff consider that this Appendix constitutes an appropriate basis for early resumption of Tripartite-Yugoslav military conversations. The Department of Defense concurs in these views of the Joint Chiefs of Staff. General J. Lawton Collins will be the U.S. Representative in these forthcoming conversations.

In view of the Tripartite recommendation favoring resumption of these conversations as soon as possible after the Italian elections, as well as the recently expressed desires of the Yugoslavs to resume military conversations at an early date, it is requested that necessary political steps be taken at the earliest practicable date to enable the initiation of the above discussions.

Sincerely yours,

FRANK C. NASH

Appendix

Agreement Between Military Representatives of the British, French, and United States Governments

TOP SECRET [WASHINGTON, May 22, 1953.]

TRIPARTITE (U.S.,U.K., FRENCH) MILITARY TALKS WITH THE YUGOSLAVS

1. The U.S. U.K., and French Chiefs of Staff recommend to their governments that:

a. Military discussions should be resumed with Yugoslav military representatives for the purpose indicated in the Annex hereto.

b. Such discussions should take place covertly in Washington at an early date, as soon as possible after the Italian elections.

c. The ostensible purpose of the presence of the Yugoslav representatives in Washington should be to examine MSA problems affecting Yugoslavia.

d. Although no political guarantees can be given to Yugoslavia, the Tripartite Military Representatives should be authorized at the next meeting of the Yugoslav Representatives, to inform them that, at the military level, the Tripartite Powers consider the successful defense of Yugoslavia of great strategic importance. They should state that as military men, they do not believe that a Soviet and/or Satellite attack against Yugoslavia could be limited to a local war. . . .

. . . . . .

g. The realistic coordination of Tripartite/Yugoslav military planning requires some mutual exchange of information between

the Yugoslavs and the Tripartite Powers, and that in the forthcoming Tripartite/Yugoslav military talks the Tripartite Military Representatives will be permitted to exchange information at their discretion regarding Tripartite troop dispositions and possible combat and logistic support to Yugoslavia in accord with the Tripartite position set forth in the Annex.[1]

. . . . . .

2. They further recommend that:

a. Urgent consideration should be given to the question of informing the Greek and Turkish (and where politically possible the Italian) governments as early and as fully as possible regarding the outcome of all future military discussions with the Yugoslavs. In the interests of military cooperation with those governments this information should be given as soon as politically feasible and, specifically as regards the forthcoming Yugoslav Tripartite discussions, the Italians, Greeks and Turks should be informed of the subject, time and place of these discussions prior to their inception. . . . Further the Chief of Staff, U.S. Army, should be authorized to write personally to General Ridgway and invite him to select British, French and U.S. representatives from his staff to be sent to Washington on a covert basis so as to be readily available before and during the discussions to advise the Tripartite Military Representatives regarding SACEUR's views but not to attend the discussions themselves. The Yugoslavs should not be informed of the presence of the SHAPE representatives in Washington.

3. General Ridgway has been consulted informally in the preparation of these terms of reference (Annex hereto) and account has been taken of his views.

[1]Not printed.

No. 680

[illegible]

The Secretary of State to the Secretary of Defense (Wilson)[1]

TOP SECRET [WASHINGTON,] June 11, 1953.

MY DEAR MR. SECRETARY: This Department has examined the recommendations to the United States, United Kingdom and French Governments, and the proposed Terms of Reference for the

[1]Drafted by Marcy, Leverich, and Barbour and cleared with RA, BNI, and GTI.

next contingent military discussions with the Yugoslavs which were transmitted by Mr. Nash's letter of June 3, 1953,[2] and is pleased to concur therein with the following comments.

We believe it desirable, in order to obviate the possibility of any misunderstanding on the part of the Yugoslavs, that the US, UK, and French military representatives at the outset of the conversations with the Yugoslavs, make it explicit that what are to follow are a series of military discussions on a contingent planning or assumptive basis, and that no commitments of any nature can be made. While this is made adequately clear in the Terms of Reference themselves, the point is sufficiently important to bear emphasis, and as a matter of strategy it would seem preferable to make it crystal clear at the outset rather than continually to reiterate the point throughout the discussions themselves.

. . . Once the approval of the British and French Governments has been obtained and a firm date set for the talks with the Yugoslavs, this Department would be pleased to prepare for the consideration of your Department and of the British and French Governments a suitable statement for this purpose.

In the Terms of Reference themselves, we would suggest that the word "then" in paragraph 8 be interpreted so as to give the tripartite representatives more freedom of action in the actual negotiations with the Yugoslavs.

With regard to the desire of the British Government to modify the language of paragraph 1-*e* of the Recommendations in order to avoid the implication that only the Yugoslavs are responsible for the lack of cooperation between Yugoslavia and Italy, and to avert discussion of the broader political aspects of the Trieste issue, this Department is informing the British Government that it agrees with the substance of the British proposal but prefers not to alter the actual language of that paragraph at this late date. The suggestion is being made to the British and French Governments that rather than actually amend the paragraph as now drafted, the three military representatives be instructed by their governments to interpret the existing language in the light of the desired amendment.

In communicating with the British and French Governments in the above sense, this Department is also informing them of its concurrence in the Recommendations and the proposed Terms of Reference for the next talks with the Yugoslavs with the indicated qualifications, and is confirming to them its approval of the date understood to have been proposed by the three military representatives for the actual resumption of the talks, i.e. June 29, 1953. Once

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[2] *Supra.*

the approval of the British and French Governments is obtained, this Department will work out with those governments an appropriate procedure for the issuance of an invitation to the Yugoslavs and will take any required action in that regard. Your Department will of course be kept fully informed.

Sincerely yours,

For the Secretary of State:
H. FREEMAN MATTHEWS
Deputy Under Secretary

No. 681

INR-NIE files

National Intelligence Estimate[1]

SECRET
NIE 93

WASHINGTON, June 26, 1953.

PROBABLE DEVELOPMENTS IN YUGOSLAVIA[2]

THE PROBLEM

To estimate (a) the current situation in Yugoslavia and probable future developments in Yugoslav domestic and foreign policies, and (b) the effect of these developments upon the international position of Yugoslavia.

CONCLUSIONS

1. Yugoslavia remains a Communist dictatorship, with Tito in unquestioned control. The majority of the population is still opposed to the Tito regime. However, barring a Soviet/Satellite attack, there is almost no likelihood that it will be overthrown in the foreseeable future.

2. The present regime owes its strength and stability in large measure to Tito's dominant position. In the event of his death, a successor regime would probably attempt to continue the main outlines of his internal and external policies. However, it is possible that a struggle for power would develop, with results which we cannot now estimate.

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[1]Regarding National Intelligence Estimates (NIEs), see footnote 2, Document 635.

[2]According to a note on the cover sheet, the IAC concurred in this estimate on June 23, with the FBI representative abstaining since the subject was outside that agency's jurisdiction. The note also indicated that the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated with the CIA in the preparation of the estimate. A record of the discussion at the IAC meeting on June 23 is in INR files, lot 59 D 27, "Meeting Notes."

3. The Tito regime, with substantial outside assistance, has made some progress in overcoming Yugoslavia's many postwar economic problems. Completion of the current investment program over the next three years would lessen his dependence on outside economic aid. However, continued maintenance and improvement of the armed forces will require outside military aid for a considerable period.

4. Although Tito is aware of the scheduled cutbacks in US aid, he may not take the steps necessary to reduce his dependence on US economic aid in the hope that the strategic importance of Yugoslavia to the US would lead the US to underwrite Yugoslavia's foreign exchange deficits.

5. We do not believe Tito will abandon his policy of socializing agriculture, but the timing and execution of this policy will depend on his need to retain US support and to maintain agricultural production.

6. We do not believe that Yugoslavia will rejoin the Soviet Bloc as long as the Tito regime remains in power. The Kremlin may, however, attempt to weaken Tito's ties with the West through increasingly conciliatory gestures toward Yugoslavia and to undermine Tito's internal position.

7. Although Yugoslavia could repel an attack by a single Satellite, it does not have and will not be able to develop the capability to defend the plain of northeast Yugoslavia against a Soviet/Satellite invasion or a concerted Satellite attack logistically supported and centrally directed by the USSR.

8. In the initial stages of such a war, we believe that the Yugoslav armed forces would offer vigorous resistance to the invaders and that the Tito regime would be able to withdraw sizable organized ground units to the mountainous regions. After such a withdrawal the effectiveness and duration of organized resistance or guerrilla activity is difficult to estimate. First, a major campaign by Soviet/Satellite forces would almost certainly be able to wipe out all organized resistance, however determined, in the absence of prompt and substantial Western military support. Second, under the impact of military defeat the opportunities for popular defection would increase and the Tito regime might even lose control over some of its armed forces. In those circumstances, anti-Tito guerrilla units might be formed, thus reducing the effectiveness of guerrilla activity against the Soviet Bloc invaders.

. . . . . .

10. Italo-Yugoslav relations, strained by the Trieste issue and the anti-Catholic policies of the Tito regime, constitute a major stum-

bling block to closer Yugoslav cooperation with the West. Resolution of the Trieste issue will not be easy, but Yugoslavia will probably continue to seek an improvement in relations with Italy in order to reduce one of the major obstacles to fuller Yugoslav participation in European defense arrangements.

11. We believe that the Yugoslavs have no present intention of precipitating a coup against the Hoxha regime. They probably calculate that to do so would create serious risks of provoking Western disfavor and Soviet retaliation. . . .

[Here follows the "Discussion" section of the estimate, comprising paragraphs 12-36.]

No. 682

511.68/6-3053: Despatch

The Chargé in Yugoslavia (Wallner) to the Department of State

CONFIDENTIAL BELGRADE, June 30, 1953.
No. 1042

Ref: Embassy despatches 984 and 1033 of June 26, 1953.[1]

Subject: *Démarche* to Foreign Office concerning developing pressure against US information program

The evidences of the changed attitude of the Yugoslav Government or at least of the Yugoslav Communist Party (now known as the Union of Communists) toward the foreign information services operating in Yugoslavia and particularly the USIS, clearly called for a frank talk of an exploratory nature at the top level in the Foreign Office. Consequently I took up the whole question with Dr. Bebler, Under Secretary of State, on June 24. As the attached Memorandum of Conversation shows,[2] Dr. Bebler, while assuring me that no top level governmental decision had been taken directed against foreign information services and disclaiming any personal knowledge of Foreign Office planning looking toward their regulation, volunteered the statement that the new role of "education and persuasion" assigned to the Yugoslav Communist party could be interpreted by individual Communists as a mandate to discourage the propagation of western non-Communist ideas. He also agreed that this was a subject of mutual interest which should be frankly discussed before any new regulation went into effect and

[1] Both despatches dealt with recent Yugoslav Government criticism of the U.S. information program and with an attack in the press specifically against information officer William B. King. (511.68/6-2653)

[2] Not printed.

seemed impressed with my argument that any sharp curtailment of USIS activities here could be variously and unfortunately interpreted abroad.

While US information activities in Yugoslavia have, at various times since the break with the Cominform became complete, run into varying degrees of opposition from doctrinaire Communist elements here, they have constantly expanded to where they now reach undisturbed a proportion of the population great enough to be without precedence, I believe, in any Communist and in most totalitarian countries. The thirst for greater knowledge of the western and particularly the American way of life is unquenchable in Yugoslavia among Communists and non-Communists alike, although the latter are more attracted to ideas and the former to mechanical and scientific achievements. Certainly the non-Communist majority in Yugoslavia has constituted the more avid readership, but recent developments indicate that our activities have likewise made an impression on Communists too, and the success of the program in all classes of Yugoslavs must, I think, be credited in part with causing the opposition to it which is now developing. The new role of the Communist Party is also important in recent developments, but it is doubtful that this alone would have brought them about had the program not been as successful as it is.

We have been in touch with both the British and the French Embassies on this subject. The British Ambassador made a *démarche* to Bebler on June 27 along somewhat the same lines as mine and while we have not had an exact account of what transpired I gather that Sir Ivo Mallet was somewhat sharper than I and Dr. Bebler replied in kind. Bebler did indicate to Mallet however that it was the vastly larger American program which was causing principal anxiety to the Union of Communists, and this perhaps foreshadows an attempt on the Yugoslav part to prevent the three Embassies from presenting a united front. The French Embassy which has a much smaller program and publishes no news bulletin is not planning a *démarche* for the moment, although the Ambassador is following the matter personally. All three Embassies are in agreement to resist energetically any attempt to regulate our activities here on the same basis as those of the Russian Embassy, but this question may very well not come up since it is unlikely that the Soviet Government will permit the Yugoslavs to undertake any information activities in Moscow and reciprocity will undoubtedly be applied to the Russian Embassy here.

Until further discussions have taken place with the Foreign Office in the light of the British Ambassador's and my *démarches* it is not possible to predict the future much less to chart any specific course of action on our part.

As already stated, resistance to foreign information programs in Yugoslavia has occurred before, usually on the heels of party reprimands. This resistance would, in time, level off, usually in the same ratio as zeal to "revitalize" the party flags. At this stage, however, the party officials, with less demand on their administrative talents, may well channel their enthusiasm into activities designed more to "educate" than regulate. With constant reminders from the press and from party officials to generate their zeal, their actions could have a distinct influence on the work of USIS.

While the Yugoslav Government probably would not take any overt action designed to close down or seriously cripple the operation of USIS activities, the party could do a great deal to discourage their use. A close watch is being kept for press comments or other evidences that this campaign will flag, continue at the present rate, or increase

Meanwhile I have requested USIS officers to keep—for the time being—activities at the present level and to conduct them quietly and unspectacularly in such a way as to avoid providing ammunition which might be used to give impetus to the current wave of opposition.

The Department will be kept informed of developments.

WOODRUFF WALLNER

No. 683

EUR files, lot 59 D 233, "Yugoslavia"

The Ambassador in Austria (Thompson) to the Assistant Secretary of State for European Affairs (Merchant)[1]

SECRET VIENNA, July 10, 1953.

DEAR LIVIE: When I found that Governor Stevenson had not had an opportunity to inform the Embassy in Belgrade of his talk with

[1]Attached to the source text are three documents: (1) a letter from Bonbright to Thompson, acknowledging receipt of Thompson's letter of July 10 and its enclosed memorandum by Stevenson, in which Bonbright noted that Stevenson's memorandum provided "useful confirmation of some of Tito's views which he has not previously chosen to express in such a forthright manner"; (2) a handwritten note from Bonbright to Thurston, undated, in which Bonbright stated his belief that Stevenson's memorandum should be shown to MacArthur, Matthews, Smith, and Bowie, and that Smith might want to show it to Dulles; and (3) a memorandum of July 27 from Bonbright to Smith, drafted by Thurston, noting that Smith might want to read the attached memorandum by Stevenson and that he also might wish to show it to Dulles. This memorandum also indicated that copies of Stevenson's memorandum were sent to Matthews, MacArthur, and Bowie.

Tito, I persuaded him to give me a memorandum of the high points of the conversation. I have sent a brief telegram today summarizing it,[2] and enclose the full text of the memorandum which he gave me. He requested that this be held very closely. I am sending a copy to Woody Wallner in Belgrade.

Sincerely yours,

LLEWELLYN E. THOMPSON, JR.

[Enclosure]

Memorandum by Adlai E. Stevenson to the Ambassador in Austria (Thompson)

SECRET VIENNA, July 10, 1953.

Without attempting to rearrange my notes and recollections for order and emphasis I will set forth, pursuant to your request, some of the things Tito said, in, I fear, utter *disorder!!*

I spent about four hours with him on Brioni on June 25, 1953:

The Soviet change of tactics does not reflect a change of objectives. Russia will be aggressive as long as the internal regime and methods are unchanged. The pressures of "state capitalistic despotism" pushes the U.S.S.R. to imperialism. The West should not look to external manifestations, peaceful gestures, conciliatory moves, minor concessions for evidence of basic changes in Soviet purposes. The real signs will come from *internal* changes when force and violence are replaced by consent and cooperation. The West would be foolish to relax its defense effort until the Yugoslavs, who know the Kremlin's intentions best, relax theirs. Yugoslavia is spending more of its national income—22%—on defense than any other nation.

Until domestic internal policies change with relaxation of police methods and replacement of brutal autocracy by democratic socialism in the Yugoslav pattern, Russia, it must be assumed, will race forward.

Tito favors Four-Power talks "to feel the pulse" without the expectation of accomplishing very much yet. Negotiation and "cooperation" with the Soviets are important to deprive them of propaganda weapon that West is plotting war.

Big Russian problem today is internal. To make friends at home must make friends abroad. Objectives are to save Germany from the West, divide the Allies, reduce defense efforts and increase attention to the Orient, particularly India.

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[2]Not found in Department of State files.

The strong arm methods of Stalin have failed at home and abroad. He was not opposed during his lifetime because his associates did not want "to go to Siberia."

The Berlin riots are the most important post-war event except Yugoslavia's break with the Soviets in 1948. They started as an economic protest but uncovered the bad political situation. They had to be suppressed ruthlessly or would have spread over all East Germany. The East German workers would have to put up with stern economic conditions if they had felt free and democratic socialist. But they know they are a satellite and are exploited for the benefit of the Soviet Union which takes but does not give. Russia is not Communist but state capitalism; Yugoslavia is not Communist but democratic socialist and on the right road. Communism and the withering away of the state is for the future.

European unity in terms of political federation is a desirable goal, but far in the future. Europe is not ready for it yet. There are too many old hatchets still to be buried.

India is the most interesting and important country in the world. A grouping of Russia, China and India would be very serious, but India, like Yugoslavia, is opposed to Stalinist methods and imperialism. Both are steering an independent course in foreign affairs and are misunderstood in America.

Tito knows all of the new men in the Kremlin. They are much more flexible and modern minded than Stalin who was interested only in force—an autocrat whom he compared to Ivan the Terrible.

The Balkan Pact was necessary because of the emergency. He thinks it should be enduring and, in spite of the differing philosophies of the members, be an important factor of stability in an area which has been unstable in the past. It should be attractive to the Bulgarians but he sees less evidence of internal disorder in Bulgaria than in the other satellites.

On relations with Italy he seems fully conscious of Yugoslavia's awkward position which will be actually complicated by the necessity of maintaining forces "to protect herself from Italy." He thinks the initiative lies with Italy which should set aside the Trieste question and discuss many smaller problems first. He doubts if any progress can be made in view of weakened political situation in Italy.

Tito wishes Cardinal Stepinac would leave the country. He has little trouble with most of the Catholic clergy, but is under constant pressure internally because Stepinac's collaboration with the Germans and puppet Croat government was not punished more severely.

Thinks the peasants are satisfied now with the decollectivization and the ten hectare law. Also feels that the decentralization of in-

dustry management, which recognizes normal incentives, is popular and will improve conditions and strengthen the regime. He hopes that Yugoslavia will need no further aid from the United States after two years. Hopes the United States will continue helping under-developed countries.

He sees little hope of political stability and strength in France, which has not had "a great jolt" and did not fight in the war.

Has little use for U.S. propaganda program—too much ideology and not enough facts. What people want is positive assurance that West has more to offer in terms of peace, security, and better living standards than the Russians.

Finally, he said he would like to visit the United States as he did England, but he did not think McCarthy would let him in.

Note: Please understand that this is desultory and confused and is merely an attempt at recording some of what he said which you thought of interest.

AES

No. 684

Editorial Note

United States relations with Yugoslavia during the period September–December 1953 primarily involved the dispute between Italy and Yugoslavia over Trieste. At the end of August 1953 the Italian Government, allegedly fearing an imminent Yugoslav annexation of Zone B of the Free Territory of Trieste, moved troops to the Italo-Yugoslav border. During September the United States, along with Great Britain and France, made various efforts to persuade the Italian and the Yugoslav Governments to avoid armed conflict. On October 8, 1953, the United States and the United Kingdom announced their intention to transfer administration of Zone A of the Free Territory of Trieste to Italy. This announcement provoked a violent reaction in Yugoslavia, which included attacks against the personnel and facilities of the United States Information Service in Belgrade. The Yugoslav Government also sent troops to the Italian border and announced that they would fight if necessary to prevent Italy from taking over control of Zone A. The Western powers did not follow through on their announced intention of transferring administrative control of Zone A to Italy, and in December both Yugoslavia and Italy withdrew their troops from the border. For documentation regarding these events, see Documents 93 ff.

During the crisis over Trieste in the fall of 1953, plans to follow up on the tripartite military talks with Yugoslavia, held in Washington August 24–28, 1953, were in abeyance.

No. 685

PPS files, lot 65 D 101, "Yugoslavia"

Paper Prepared in the Office of the Special Assistant to the Secretary of State for Intelligence (Armstrong)[1]

SECRET [WASHINGTON, January 18, 1954.]

THE DJILAS AFFAIR

The first public ideological dispute within the ranks of the Federation of Yugoslav Communists (FCY) came to a head on January 17 when a full plenum of the Central Committee (CC) stripped Milovan Djilas, No. 3 man on the Executive Committee (old Politburo) of all of his Party positions. Djilas was also forced to resign as President of the National Assembly, a post to which he was elected on December 25, 1953.

In a recent series of articles in the FCY organ *Borba*, Djilas attacked the organization and work of the FCY. He suggested that the FCY should "wither away" and become a corps of ideological leaders. He criticized the Leninist concept of party dictatorship and argued that "remnants of bureaucratic tendencies" must disappear and that the state apparatus, including the secret police, should operate under the law. Most striking, he condemned as "of petty bourgeois mentality" and "cliquish" the actions of wives of high party leaders who snubbed the young wife of a Yugoslav general because she did not participate in the revolution, implying that these leaders formed a new caste or aristocracy. To this he added condemnation of party operations as outmoded and proposed the elimination of cell meetings.

Djilas' ouster came after his stand had been criticized by Tito himself who charged that Djilas sought to bring Western democracy to Yugoslavia "at any price." He labelled Djilas' views as "revisionist" and "reformist opportunism." He said that Djilas sought (1) the liquidation of the FCY; (2) the restoration of capitalist forms; and (3) the shattering of party discipline. He said Djilas had caused

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[1]Transmitted to Bowie under cover of a memorandum of Jan. 18 from Armstrong, which stated that the paper provided more in the way of an analysis of implications than normally would be included in an intelligence report on an incident of this type. Armstrong added that he understood that this was what Bowie was principally interested in.

enormous harm to the party and the country and had brought confusion to the ranks of the Communists.

While not retracting the essence of anything he wrote, Djilas did acknowledge that he might have put things too strongly and that on some points he might not have been too clear. He admitted guilt in provoking a split within the FCY and in his "undisciplined" behavior in publishing his articles without at least discussion with some members of the Executive Committee, especially when he knew they disagreed with his views. He denied that he could ever join the "class enemy" but he did admit that "if I had continued on the same road I would have arrived at a point indicated by the comrades, that is a point in opposition to Tito's Yugoslavia."

The Djilas controversy has brought into the open a conflict that has apparently been raging in the Yugoslav Party for some time. This conflict has been between the strongly orthodox on the one hand and those who favored a departure from Soviet-type Party operations on the other. Tito and certain of the other top leaders themselves seemed to lean toward the latter group. Their swift reaction to Djilas' articles was due to the fact that these went further than anything previously said and struck at the power and prestige of the entire ruling clique. Tito and his cohorts are obviously no more interested in surrendering their power to Western democracy than to Sovietism.

The disgrace of Djilas will almost certainly not end the basic conflict in the party, although it will undoubtedly lead to greater caution on the part of those advocating change. Many Yugoslav Communists, particularly those added since the end of the war (more than 80 percent of the total) are probably sympathetic to Djilas' views. Djilas is also personally popular with the youth and with certain intellectual circles. As the No. 1 Montenegrin Communist he seems to have had a large following in that area of the country. Many Montenegrins, including a number of close associates of Djilas, have important positions in the army and security forces.

It thus appears that there are involved in the affair factors that make for instability in the Yugoslav set-up, particularly in case of Tito's death. Tito's own position will probably not be threatened, at least so long as peace is maintained. He will almost certainly take steps to insure tighter control, including far closer supervision over the activities of party and non-party people alike, new restrictions on the movement of Yugoslavs abroad, and increased utilization of the secret police. He probably will also slow down the trend toward de-Sovietizing Yugoslav Party and governmental practices. The basic cleavage will remain, however, and in case of a crisis will be a factor to be reckoned with.

While the question of relations with the West was an important element in the basic conflict underlying the Djilas affair, and while Djilas' principal crime was said to be advocacy of western type democracy, it seems highly unlikely that the move against Djilas involved a decision to modify Yugoslavia's relations with either the West or the East. Tito pointedly asserted that "it is correct that Yugoslavia is drawing closer to western democracy, not on the question of the internal system, but on the question of cooperation on the foreign political plane." He also warned that although through the Djilas incident "we suffered a huge loss, we must not make new mistakes in going to the other extreme." He said that Djilas' case should not serve as an alarm that "we must again change our course because we have made an error in following it . . . [2] we should be much more vigilant in pursuing it."

In the long run, however, and again particularly in case of Tito's death, it would seem that the issue of western or eastern orientation will have to be decided more definitively. Despite Tito's effort to brush the issue aside, the entire discussion connected with the Djilas affair indicates not only that the question of orientation remains very much alive but also that without a more thorough commitment one way or the other it will make for increasing instability.[3]

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[2]Ellipsis in the source text.

[3]In a memorandum of Jan. 18 to Merchant, Barbour commented on the Djilas affair as follows:

"There is good evidence that the substance of Djilas' position has been a hot issue within the Yugoslav Communist Party for some time: to some degree it reflects the inevitable impact upon the Party of the relations developed with the west over the past four years. The fact that the conflict broke out publicly at such a high level, and that Tito himself found it necessary to deal severely with Djilas can, we fear, only have a negative result on the liberalization process around which so much of our policy towards Yugoslavia revolves. We can now anticipate a reassertion and solidification of communist party control over its membership, with consequent retrogressive effects on the momentum already generated towards acceptance of Western influences." (768.00/1-1854)

No. 686

768.5 MSP/1-2254

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Barbour)

SECRET [WASHINGTON,] January 22, 1954.

Subject: Economic Aid for Yugoslavia

Participants: Mr. Vladimir Popovic, Yugoslav Ambassador,

Dr. Mirko Bruner, First Secretary, Yugoslav Embassy,
Mr. Robert Murphy, Deputy Under Secretary,
Mr. D. A. FitzGerald, FOA,
Mr. Walworth Barbour, Director, Office of Eastern European Affairs.

The Yugoslav Ambassador called by appointment made at the request of the Department on January 22. Mr. Murphy informed him in accordance with the briefing memorandum, copy attached.[1] The Ambassador expressed the appreciation of his Government for this assistance. He went on to discuss recent developments in the Yugoslav food situation, with particular reference to wheat, noting that, while the Yugoslavs had estimated an annual wheat consumption at the rate of some 102,000 tons per month, in practice consumption had amounted to 118,000 tons, which had made it necessary to increase the Yugoslav annual requirements figure by some 190,000 tons. It was estimated that such 190,000 tons would be worth some $13,000,000 or $14,000,000.

Mr. Murphy and Mr. FitzGerald took note of this additional requirement and, without indicating whether there might or might not be any funds available for such additional assistance, stated that it would be considered with the economic mission in Belgrade and in FOA in the light of available statistical data and FOA's financial possibilities.

The Ambassador then raised the question of off-shore procurement, noting that while orders for some $5,000,000 worth of such items, principally small arms ammunition, had been let, there seemed to be considerable delay in additional orders up to the $20,000,000 estimated Yugoslav production capacity. Mr. Murphy suggested that this problem is a matter for Defense and would be brought to their attention.

Finally, it was requested that the Ambassador in talking to the press following this visit merely indicate that he had discussed general economic questions and not make public the specific $30,000,000 assistance figure which we do not intend to announce especially but will publish along with figures for certain other countries in a few days. The Ambassador concurred, although he

[1]Not printed; the briefing memorandum was in the form of a memorandum of Jan. 22 from Barbour to Smith, in which Barbour recommended that Ambassador Popović be told that, in light of reduced total appropriations from Congress for FY 1954 economic aid. Yugoslavia would receive $30 million in economic assistance, but that the United States planned to make available an additional $15 million for surplus agricultural commodities, although it was not possible to make a firm commitment at this time on the figure or on the commodities involved. Popović was also to be told that FOA was making an initial allotment of $20 million for FY 1954.

professed to be unconvinced that our reason for the request is merely the confusion which might result from publicizing the partial $30,000,000 figure while the additional $15,000,000 for surplus agricultural commodities is still not firm.

No. 687

Eisenhower Library Eisenhower papers, Whitman file

Memorandum of Discussion at the 183d Meeting of the National Security Council, Washington, February 4, 1954[1]

TOP SECRET EYES ONLY

The following were present at the 183rd Meeting of the Council: The President of the United States, presiding; the Vice President of the United States; the Acting Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; the Secretary of Commerce (for Item 2); the Acting Director, Bureau of the Budget; the Chairman, Atomic Energy Commission (for Item 2); the Chairman, Joint Chiefs of Staff (for Items 3 and 4); the Director of Central Intelligence; the Assistant to the President; Robert Cutler, Special Assistant to the President; Mr. Max Lehrer, Department of Defense (for Item 3); the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

Following is a summary of the discussion at the meeting and the chief points taken.

1. Significant World Developments Affecting U.S. Security

[Here follow a briefing by Director of Central Intelligence Dulles on developments in Indochina and a lengthy discussion.]

After this considerable digression, the Director of Central Intelligence resumed his briefing, and said that since the Council was considering a new policy report on Yugoslavia,[2] the CIA had been

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[1] Prepared by Gleason on Feb. 5.

[2] Reference is to NSC 5406, "United States Policy Towards Yugoslavia," dated Jan. 26, prepared by the Planning Board of the National Security Council and circulated to the members of the Council under cover of a memorandum of the same date from Lay. It consisted of a Statement of Policy and a Staff Study. (S/S–NSC files, lot 63 D 351, NSC 5406 Series) NSC 5406 had been based on a draft Statement of Policy and Staff Study prepared in EUR/EE and circulated within the Department of State for comment under cover of a memorandum of Aug. 10, 1953, by Leverich. (768.00/8–1053)

NSC 5406/1 is *infra*.

addressing itself to the question whether the "new look" in the Kremlin had had any significant impact on Yugoslav policy. CIA had reached the conclusion that there was no likelihood of any basic change in Yugoslavia's present pro-Western orientation, and it was not thought likely that the Yugoslavs would go back into Moscow's fold.

Mr. Dulles then discussed the Djilas affair, which he described as an effort to redirect Yugoslavia along more liberal lines. Since the hard-core Communists in Yugoslavia thought that Djilas was going too far, he had been purged. As a result, we could anticipate a tightening of discipline in the Yugoslav Communist Party and a check of the recent trend toward liberalization.

In conclusion, Mr. Dulles stated that the only really disturbing factor in the current situation in Yugoslavia was the prolonged drought. This could be very serious.

Secretary Smith said that he had talked yesterday to the Ambassador from Yugoslavia, who had said that his country was going to be seriously short of wheat. Secretary Smith had intimated to the Ambassador that the United States would be willing to consider a purchase of U.S. wheat with Yugoslav currency if the Yugoslavs asked for it.[3]

Secretary Humphrey said that we would be delighted at the prospect of such a transaction, and the President commented that he would be glad to send the Yugoslavs all the wheat they wanted if they would agree to a settlement of the Trieste problem.

Secretary Smith warned that, unhappily, the Yugoslavs were very sensitive as to any suggestions of bribery to settle Trieste. He then discussed briefly the status of the negotiations on this subject in London.[4] He believed that there was one very important factor of a favorable nature. The boundary between Zones A and B was a purely arbitrary boundary drawn by the U.S., British and French solely for the purpose of achieving a *modus vivendi*. Accordingly, the boundary could be altered in various ways which would permit both the Italians and the Yugoslavs to save face. He believed that our negotiators were getting very close to agreement on a permanent boundary.

With respect to the serious crop situation in Yugoslavia, Secretary Smith pointed out that drought conditions involved not only Yugoslavia but the Soviet satellites in the Balkans as well. It was accordingly particularly urgent that we assist Yugoslavia so that it

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[3]A memorandum regarding this part of Smith's conversation with Ambassador Popović on Feb. 3 is in file 868.00/2–354.

[4]For documentation on the secret negotiations regarding Trieste between representatives of the United Kingdom, the United States, and Yugoslavia, which began in London on Feb. 2, 1954, see Documents 163 ff.

would look good in any comparison with conditions in Rumania or Bulgaria. It was unfortunate, added Secretary Smith, that U.S. domestic pressures, notably from the Catholics, made it difficult to do this.

After this further interruption, the Director of Central Intelligence concluded his briefing with a comment on the difficulties facing the Shishakli regime in Syria, which had an incipient revolt on its hands.

2. United States Policy Toward Yugoslavia (NSC 5406 and Annex to NSC 5406; Memo for NSC from Executive Secretary, same subject, dated February 3, 1954[5])

Mr. Cutler started to explain the report which the Planning Board had prepared on Yugoslavia, by noting that the policy rested on the assumption that the Trieste issue would be settled harmoniously.

The President interrupted to inquire why, at the time that the negotiations to settle Trieste were in full swing, the Planning Board had presented a policy paper on Yugoslavia. Mr. Cutler explained that this was pure coincidence, and that the Planning Board had begun its consideration of our policy toward Yugoslavia well before the Trieste controversy had become so serious.

Mr. Cutler then proceeded to analyze the contents of the policy paper, in the course of which he pointed up the dilemma which was inherent in U.S. objectives toward Yugoslavia. Our immediate objective was to keep Yugoslavia independent and out of Soviet control even though it was a Communist dictatorship. Our long-term objective was a government in Yugoslavia freely chosen by the people of Yugoslavia. This, said Mr. Cutler, addressing Secretary Smith, represented quite a tight-rope for him to walk on. Secretary Smith replied that he had a simple formula to overcome this problem. You simply didn't let the right hand know what the left was doing.

After further discussion, in the course of which minor revisions were made in the policy statement and the Financial Appendix was analyzed, Secretary Wilson expressed the view that when the Trieste problem was finally settled there should be a new study of our policy in this area. Pointing out that the British and French have moved out most of their forces from Austria, Secretary Wilson inquired whether it was really to the advantage of the United States to move our forces from Trieste into Austria to replace the French and British contingents. The President suggested that a brief com-

[5]This memorandum transmitted to the members of the Council a memorandum from Radford to Wilson, giving the Joint Chiefs of Staffs brief comments on NSC 5406. (S/S–NSC files, lot 63 D 351, NSC 5406 Series)

ment on the military situation in Austria be presented at next week's Council meeting.

Secretary Smith then undertook to brief the Council on the current status of the attempt to draw an agreed boundary between Zones A and B, and indicated that he had made broad hints to the Yugoslavs that they should proceed to annex Zone B as soon as the Italian flag went up over Trieste. They seemed, however, to be afraid to undertake this action.

The National Security Council:

a. Adopted the statement of policy contained in NSC 5406, subject to the following changes:

(1) *Paragraph 17:* Delete "acceptable both to Yugoslavia and Italy."

(2) *Paragraph 24:* Insert "military and" before "technical personnel".

(3) *Paragraph 25–c:* Change "authorizing" to "recommending".

b. Noted that the Financial Appendix to NSC 5406 should be amended by the revision of paragraph 5 thereof to read as follows:

"5. Based upon this planned program, deliveries will continue high through FY 1956, decline in FY 1957 and level off in FY 1958."

Note: The statement of policy in NSC 5406 as amended and approved by the President, subsequently circulated as NSC 5406/1 and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

[Here follows discussion of United States objectives and courses of action with respect to Formosa and the Chinese National Government.]

S. EVERETT GLEASON

No. 688

S/S-NSC files, lot 63 D 351, NSC 5406 Series

Statement of Policy by the National Security Council[1]

TOP SECRET
NSC 5406/1

[WASHINGTON, February 6, 1954.]

UNITED STATES POLICY TOWARDS YUGOSLAVIA

(U.S. policy toward Yugoslavia may be seriously affected by the future course of the Trieste controversy. However, the following statement of policy was prepared on the assumption that its implementation would not be precluded by developments connected with Trieste.)

GENERAL CONSIDERATIONS

1. The continued denial of Yugoslavia to the Soviet bloc is of great strategic importance to the security of the Free World. Because of its geographic position and potentially strong army, an independent Yugoslavia denies important assets to the Soviet bloc and reduces the Soviet threat to the internal and external security of Greece and Italy. . . .

2. Politically and psychologically, the "Tito heresy" has provided the West with an important asset. It represented the first defection of a Communist Government from the Soviet orbit, challenging Kremlin control of world communism as an instrument of Soviet imperialism. The continued independence of Yugoslavia offers a standing example of successful defiance of the Kremlin and is proof that there exists, for nationalist Communist leaders, a possible alternative to submission to Soviet Control.

3. The United States, and to a lesser degree the United Kingdom and France, have extended military and economic aid to Yugoslavia in order to insure the retention of the foregoing benefits through strengthening the will and ability of the Yugoslav nation to defend its independence. With short term objectives in mind, U.S. aid programs have been continuously reviewed on a year-to-year basis,

[1]This Statement of Policy was one of several parts of NSC 5406/1. The other parts, were a 2-page Financial Appendix; a 32-page Staff Study; a cover sheet; and a memorandum of Feb. 6 from Gleason, in which he noted that the President that day had approved the Statement of Policy, had directed its implementation by all appropriate executive departments and agencies, and had designated the Operations Coordinating Board as the coordinating agency. He also noted that NSC 5406/1 accordingly superseded the existing NSC policy papers on Yugoslavia, NSC 18/2, "Economic Relations Between the United States and Yugoslavia," Feb. 17, 1949, and NSC 18/6, "The Position of the U.S. With Respect to Yugoslavia," Mar. 7, 1951, neither printed.

thereby enabling the United States to influence the policies of the Tito regime in some degree. Retention of Yugoslav cooperation with the West, and maintenance and improvement of the Yugoslav armed forces, can be expected to require further outside assistance. Continued drought may further aggravate the Yugoslav economic situation.

4. Yugoslavia remains a Communist dictatorship with the strength and stability of the regime due in large measure to Tito's dominant position. In the event of Tito's death, a successor regime would probably attempt to continue the main outlines of his internal and external policies. However, it is possible that a struggle for power would develop, with results which cannot now be estimated.

5. The nature of the regime makes full exploitation of Yugoslav potentialities in the Western system of defense difficult to achieve. Nevertheless, under present conditions it is in the security interest of the United States to support Yugoslavia, despite its Communist regime and U.S. opposition in principle to such a regime. The balance of probability is that Yugoslavia, even if not initially attacked, would cooperate with the West in the event of general war.

6. The majority of the people of Yugoslavia are opposed to the principle and domestic policy of their Communist dictatorship, under which they perceive little hope of obtaining political and economic freedom. Nevertheless, on issues which arouse nationalist feelings the regime can count on widespread support. In the event of a Soviet or satellite invasion, there is little doubt that the Yugoslav people initially would rally to the support of Tito, and that the Yugoslav forces would offer vigorous resistance. However, under the impact of military defeats or the pressure of a long war, the possibility exists of the breakdown of organized military resistance under the Tito regime. This possibility must be regarded as an acceptable risk.

7. The death of Stalin and the apparent shift in tactics by his successors raise the possibility of a Yugoslav *rapprochement* with Moscow. While it would be unwise to exclude such an eventuality, it is considered unlikely as long as the Tito regime remains in power. The Kremlin may be expected to continue its efforts to undermine Tito's domestic position and to weaken his ties with the West.

8. Although the Tito regime appears to be increasingly inclined toward greater participation in over-all European defense arrangements, the extent of Yugoslav participation is limited by such factors as Tito's fear of alienating doctrinaire Yugoslav Communists and by his unwillingness to have Yugoslav forces serve under non-Yugoslav command. On the Western side, some non-Communist nations are reluctant to deal with Tito as an equal and an ally. Cur-

rent strained relations between Italy and Yugoslavia, aggravated as they are by the Trieste issue and by Yugoslav fear and distrust of Italy's ambitions in the Balkans, constitute a major stumbling block to realization of the full benefits of Yugoslavia's association with Western defense. . . .

9. An attack on Yugoslavia by organized Soviet or satellite forces would probably result in general war. . . .

BASIC OBJECTIVES

Immediate Objectives

10. Continued denial of Yugoslavia to the Soviet bloc.

11. Maximum utilization of Yugoslav potentialities on behalf of U.S. and free world objectives.

12. Without jeopardizing the objectives in paragraphs 10 and 11 above, reorientation of the Tito regime in the direction of political and economic liberalization, in order to improve the basis of popular support necessary for an effective defense effort.

Long-term Objective

13. Eventual fulfillment of the right of the Yugoslav people to live under a government of their own choosing, which maintains peaceful and stable relations with neighboring states, and participates fully in the free world community.

COURSES OF ACTION

14. Continue to provide military aid to Yugoslavia, where possible and appropriate in concert with the U.K. and France, to assist in creating military forces which will:

. . . . . .

16. Continue to furnish economic and technical assistance, where possible and appropriate in concert with the UK and France, to the minimum extent necessary to accomplish U.S. objectives. In extending this assistance:

a. Avoid actions which could be interpreted as unreserved endorsement of the Tito regime or which would undermine that regime.

. . . . . .

d. Consider Yugoslavia as an allied European nation in evaluating requests for export licenses.

e. Continue to deny to Yugoslavia, materials and equipment judged to be for use in an advanced atomic energy program. However, give the Atomic Energy Commission discretionary authority as regards the licensing for export to Yugoslavia of reasonable quantities of materials and equipment on the AEC list obviously in-

tended for (1) basic research and instruction in the atomic energy field, (2) source material (e.g., *uranium*) exploration, or (3) medical use or normal industrial use.

17. Continue current efforts to negotiate a settlement of the Trieste problem.

. . . . . .

20. As a means of strengthening Western defense and influencing the Tito regime, encourage closer ties between Yugoslavia and the nations of the free world, particularly those of Western Europe.

. . . . . .

22. Exploit the existence, and encourage the development, of the Yugoslav-Greek-Turkish *Entente* as a means of weakening Soviet power in the Balkan satellites, and as an example of free association of independent Balkan nations serving as a potential alternative to Soviet rule.

23. Direct informational policy toward building Yugoslavia's will to combat Soviet encroachment, while:

a. Avoiding endorsement of the internal policies of the Tito regime and taking account of the Yugoslav people's hope for eventual attainment of greater political and economic freedom.

b. Avoiding antagonizing the Tito regime to the point of jeopardizing realization of our immediate objectives or inducing political aspirations among the Yugoslav peoples likely to produce disorder or unrest.

24. Encourage broader cultural contacts between Americans and Yugoslavs in the interest of building up influences within Yugoslavia favorable to the attainment of U.S. objectives, including both official and privately sponsored programs for an expanded exchange of students, intellectual leaders, military and technical personnel and private individuals.

25. In the event of attack against Yugoslavia by organized Soviet or satellite forces, the United States, in common prudence, should proceed on the assumption that global war is probably imminent. Accordingly, the United States should immediately:

a. Place itself in the best possible position to meet the increased threat of global war.

b. Consider a direct approach to the highest Soviet leaders.

c. Support action in the United Nations calling for the withdrawal of the invading forces and recommending appropriate action by member states against the aggressor.

d. Implement such of the plans prepared under paragraph 15 above as the situation may require and as may be decided in the light of the circumstances existing at the time. Insofar as there are

combined plans for this contingency, action should be coordinated with the other governments concerned.

No. 689

768.5 MSP/2-1954

Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Deputy Under Secretary of State (Murphy)[1]

TOP SECRET [WASHINGTON,] February 19, 1954.

Subject: Recommendation for exchange of views with British re policies towards Yugoslavia.

Discussion:

As we now have a new policy paper on Yugoslavia (NSC 5406[2]) this would seem an appropriate time to review our policies with the British and French. We have not undertaken such a general review since 1949–1950, although there have been annual negotiations in connection with tripartite economic assistance. Immediately following the rift between Yugoslavia and the USSR we consulted closely with both Britain and France, conveying to them the general conclusions and recommendations of NSC papers 18/2 and 18/4.[3] That consultation resulted in the tripartite approach to Yugoslav economic and military problems.

While military assistance is now largely a unilateral US affair, the tripartite relationship established in 1949–1950 led directly to tripartite military planning with Yugoslavia. In this connection, the US, UK and France will shortly be faced with the necessity of reaching decisions on the recommendations of the Washington conference of last November. While we have no reason to believe that there is any divergence of approach on this military aspect between ourselves, the British and French, the issues involved are of such far-reaching importance that we believe a general go-around to assure that we are all seeking the same objective is desirable.

On the economic side, also, such a general review of policy would seem desirable to lay the groundwork for negotiations with both the British and French regarding economic assistance for 1955 which we will wish to open shortly. In the negotiations preceding

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[1]Drafted by Marcy and Colbert and concurred in by BNA, WE, GTI, RA, S/P, S/MSA, E, and NEA. The source text bears the handwritten note by Murphy, "OK."

[2]Presumably reference is to NSC 5406/1; see *supra*.

[3]NSC 18/2 is not printed. For text of NSC 18/4, see *Foreign Relations*, 1950, vol. IV, p. 1341.

tripartite assistance for FY–53 and FY–54 the British and French evidenced a somewhat different approach from ours. The British and French, perhaps largely influenced by reasons of economy, primarily direct their aid towards making the Yugoslav economy self-sufficient in order to terminate the need for aid as soon as possible. While we recognize this as an important objective, our primary purpose is to bolster Yugoslavia's defense capabilities and its will and ability to maintain its independence from the USSR, and exploit their dependence on us. There are also indications that the British and French may be reluctant to continue to furnish economic assistance in FY–55. A clarification of these issues is important since our present aid request to Congress is predicated on British and French participation in the program.

Recommendation:

That you authorize EUR to obtain the necessary intra-Governmental clearances through OCB and to exchange views on general policy with the UK, setting forth the general conclusions and recommendations of NSC 5406 along the lines of the attached draft *Aide-Mémoire* (Tab A[4]). We have no firm recommendation at this time as regards a possible similar exchange with the French, but in any case would wish to obtain British views before doing so.

[4]Not printed; the draft *aide-mémoire* varied only slightly from the text of the *aide-mémoire* as delivered to the British Embassy on Mar. 5. (768.5 MSP/3-554)

No. 690

768.5 MSP/3-1954

The Department of State to the British Embassy[1]

TOP SECRET

The Secretary of State presents his compliments to His Excellency the British Ambassador and has the honor to refer to the *Aide-Mémoire* to the British Embassy on March 5, 1954.[2] It would be appreciated if the views of Her Majesty's Government and the French Government as to their participation in tripartite economic aid to Yugoslavia in the period July 1954–June 1955 could be obtained before the submission to the United States Congress of the mutual

[1]Drafted by Colbert and cleared with EUR, EE, BNA, WE, RA, E/ED, and S/MSA. A note in the margin of the source text indicates that it had been delivered to Barbara Salt of the British Embassy by Leverich on Apr. 5.

[2]Not printed. (768.5 MSP/3-554)

security request for that period. A parallel note on this subject is being sent to the French Government.

The United States Government has again reached the conclusion, in recently reviewing its policies toward Yugoslavia, that it is of great strategic importance to the security of the free world to maintain Yugoslavia as a strong and independent ally. The Yugoslav economy is not yet strong enough to support, without economic assistance, the maintenance of the military establishment required in the interest of Western defense.

In view of the need to submit a firm request to Congress for appropriations, the British Government will understand that the United States Government, in seeking its agreement to participate in a tripartite program of assistance, would also appreciate knowing the amount of the projected British contribution for the period July 1954–June 1955. It is the preliminary view of the United States Government that, taking into account the previous pattern of tripartite contributions, the minimum amount of a British and French contribution consistent with a realistic sharing of the burden would be $10 million, which would mean a British contribution of the sterling equivalent of $6 million, based on the conception valid in the past that the ratio of the British to French contribution would be three to two.

Present plans are to ask the United States Congress to appropriate funds which could be made available to Yugoslavia as the United States contribution to tripartite economic aid in the amount of $35 million. The amount is conditional upon legislative approval and appropriation.

The United States Government proposes that, if the British and French Governments agree to make this sum available, the procedural arrangements under which the tripartite program are to be administered should continue in the present form.

The British Government will understand that an early indication of its views will be appreciated to facilitate planning of the United States appropriation request.

WASHINGTON, April 5, 1954.

No. 691

868.413/4-954. Despatch

The Ambassador in Yugoslavia (Riddleberger) to the Department of State

CONFIDENTIAL BELGRADE, April 9, 1954.
No. 689

Reference: Department's instruction A–165, March 26, 1954.[1]

Subject: Proposed Catholic Relief shipments to Yugoslavia.

Pursuant to the Department's Instruction A–165, March 26, 1954, I had a lengthy interview with Mr. Vladimir Popovic on April 8 in which I urged him to influence his government to make a favorable response to the representations made on February 3, 1954 by the Under Secretary in connection with the desire of the American Catholic Bishops to send certain relief supplies to Catholic functionaries in Yugoslavia.[2] In presenting this matter forcefully to Mr. Popovic, I took occasion to underline the fact that Congressional hearings on Foreign Aid for the next fiscal year had just commenced and it was important to find a solution for this problem at the earliest possible date. I reminded him that our ability to take a favorable view of Yugoslavia's needs and requirements would certainly be affected by what I would call political realities in Congress. I said I was certain that Mr. Popovic, as a result of his extensive experience in the United States, would easily comprehend the extent and nature of these political realities and that I thought he was in a good position to explain them to his government. I recalled that according to Yugoslav officials the estimates on cereal requirements for Yugoslavia had steadily increased in the last few months and that to my surprise, in view of the good crop last year, the requirements had more than doubled in the short time I had been in Belgrade and were now estimated at more than 800,000 tons of wheat. I said that the Yugoslav authorities were pressing us almost daily to hasten the wheat shipments under the latest $10 million allocation and that if the needs were as great as explained to us it was difficult to comprehend why the Yugoslav Government should be so rigid on a comparatively small relief shipment by the Catholic Bishops. I emphasized that it would be difficult to defend

[1] In this instruction, the Department of State requested Riddleberger, in light of the forthcoming Congressional hearings on economic aid for FY 1955, to press the Yugoslav Government for a favorable response on the matter of the Catholic Bishops proposed relief shipments. It suggested that Riddleberger seek out former Ambassador Vladimir Popović regarding the matter. (868.413/3-2654)

[2] A memorandum of the conversation between Smith and Vladimir Popović on Feb. 3 is in file 868.49/2-354.

additional wheat shipments for Yugoslavia while at the same time his government was refusing to permit the same type of supplies to come in merely because of their destination. It seemed to me it could well be argued that any additional supplies going to designated recipients would automatically free other supplies for general distribution. Therefore, I would urge with the greatest earnestness that an exemption be granted to the customary rules and that this shipment be permitted. I concluded by emphasizing once more that we should not underestimate the influence in Congress of persons who desired voluntarily to contribute to the relief of certain Yugoslavs with whom religious ties existed.

Mr. Popovic replied that he was sure I was familiar with the reasons which had determined the Yugoslav attitude to date. I said I was familiar but that I did not think the reasons were good enough in the light of all the political circumstances. He then said he had not been able to give a reply in Washington before his departure as he had not received instructions from Belgrade. He said that he comprehended the logic of my remarks and that he would immediately take up this matter again with high Yugoslav authorities. In his present capacity he was not in a position to commit the Yugoslav Government but that he thought he could say to me personally that some way would be found to get the proposed shipments to the Catholic functionaries in Yugoslavia. I said in that case perhaps he would be good enough to urge the suggestions which he, himself, had made in the interview of February 3 in Washington. The U.S. Government naturally preferred an exemption so that the shipments could be made as originally proposed but that in any case it was essential in my view to find a solution for this problem. He thereupon promised me he would take up the matter urgently and again said that some compromise arrangement could be found.

JAMES W. RIDDLEBERGER

No. 692

868.00/5-1454

The British Embassy to the Department of State[1]

SECRET

AIDE-MÉMOIRE

In an *Aide-Mémoire* communicated to the British Embassy by the State Department on the 5th of April,[2] the United States Government explained the reasons why they were seeking the agreement of Her Majesty's Government to participate in a further programme of economic assistance to Yugoslavia and suggested that the British contribution in the period July, 1954 to June, 1955, should be the sterling equivalent of six million dollars.

In the *Aide-Mémoire* on policy towards Yugoslavia which was communicated to the State Department on the 5th of April,[3] it was stated that Her Majesty's Government had decided that United Kingdom economic aid to Yugoslavia, of the kind given for the years 1951–1954, should cease on the expiry of the present tripartite aid programme on the 30th of June, 1954. Mr. Eden has carefully considered the arguments adduced by the State Department for the continuance of tripartite aid for a further period, but has come to the conclusion that no alteration can be made in the decision referred to above.

The primary object of the tripartite aid programme was to enable Yugoslavia to switch the direction of her economy from East to West and to keep her afloat during the transition period which necessarily accompanied this change. In the opinion of the Economic Mission attached to Her Majesty's Embassy at Belgrade this task has been accomplished, and Yugoslavia should now be able, by improving the price and quality of her goods, to stand on her own feet in international trade.

The secondary object of the aid programme was to help Yugoslavia to develop her own resources and to make her economy viable, and with this end in view, the greater part of the United Kingdom portion of the 1953/4 grant has been directed, as the State Department are aware, towards the improvement of Yugoslav agriculture. Mr. Eden considers that Her Majesty's Government have contributed as much as they can afford to the attain-

[1]The *aide-mémoire* was delivered by Salt to the Department of State on May 14. A memorandum of her conversation on that occasion with Leverich and Colbert is in file 868.00/5-1454.

[2]Document 690.

[3]Not printed. (768.5 MSP/4-554)

ment of this object, and that the aid already given should enable Yugoslavia to increase her agricultural exports, and thus substantially improve her balance of payments position.

As the two above-mentioned objects have, in the opinion of Her Majesty's Government, largely been achieved, and in view of the paramount need for curtailing public expenditures, Her Majesty's Government do not believe that they would be justified in contributing to a further tripartite programme of grant aid on the lines pursued in the past three years. They realize, of course, that the Yugoslav economy still lacks strength. This weakness is in great part due to the burden of the external debt. In this connexion, the Yugoslav Government have recently proposed to the tripartite representatives in Belgrade that a conference of creditors should be held in order to arrive at an agreed schedule of debt repayment designed to satisfy Yugoslavia's creditors as far as possible without overstraining her economy. Her Majesty's Government believe that their co-operation in such a scheme would provide the most effective form of economic aid to which they could contribute in the present circumstances, and they hope to communicate their detailed views on this Yugoslav proposal very shortly to the United States and French Governments.

Her Majesty's Government appreciate that the Department of State may attach value to keeping a united front in Anglo-American economic policy towards Yugoslavia. In this connexion it should be recalled that Her Majesty's Government have decided, provided that a settlement of the Trieste question can be reached in the near future, to contribute two million pounds to the cost of building a new port and communications in the neighbourhood of Trieste. This estimate will almost certainly be presented to Parliament as a continuation, for one more year, of economic aid. Consequently, on the assumption that a Trieste settlement can soon be concluded, it should be easy to demonstrate that the solidarity of Anglo-United States policy towards Yugoslavia has not been impaired.

An indication of Her Majesty's Government's position as outlined in the first five paragraphs above is being conveyed to the French Government by Her Majesty's Ambassador in Paris.

WASHINGTON, May 13, 1954.

No. 693

868.413/6–2354: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State

CONFIDENTIAL BELGRADE, June 23, 1954—6 p. m.

1343. I saw Vladimir Popovic today upon receipt Deptel 1361,[1] and in addition to points made by Department I added some of my own which I thought might be effective. I went after him very hard on the basis of general proposition that it was foolish to refuse an exemption for the bishops relief shipments while at the same time Yugoslav Government was constantly pressing us for additional aid, particularly foodstuffs. I underlined what a difficult situation this created for Department in dealing with the Congress and expressed my disappointment that following our conversation of April 8,[2] Yugoslav Government had not even seen fit to give an answer.

Popovic replied that he personally comprehended fully our point of view, was sympathetic to it and had urged a favorable decision. He said the decision had even been discussed with Tito who also was favorably inclined. Our request had, however, raised quite a storm inside Yugoslav Government and consequently, a decision had been postponed. Reason for this controversy was fact that exemption for shipments would indicate both moral and material support for religious groups who oppose Yugoslav Government's policy of attaining greater national unity. (At this point Popovic went off into a discussion of US-Yugoslav relation which went on for an hour and a half and is being reported separately.[3]) He said he would again attempt to get a favorable decision but seemed pessimistic.

As Popovic is thoroughly informed on Trieste, I replied by citing to him all of the economic assistance which US has recently given, including offshore procurement and asked him if it would not be possible at least to adopt his suggestion of February 3[4] that Yugo-

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[1]Presumably reference is to telegram 1362 to Belgrade, June 22, which asked Riddleberger to inform Vladimir Popović that the Department of State was anxious for a response on the question of the Bishops relief shipments. It said it was particularly important that there be an early and a favorable reply in view of the Congressional situation and Congresswoman Kelly's attempt to amend the Agricultural Trade Development and Assistance Act (also known P.L. 480) to exclude Yugoslavia. (868.413/6–2254)

[2]This conversation is described in Document 691.

[3]See *infra*.

[4]A memorandum of Popović's conversation with Under Secretary Smith on Feb. 3 is in file 868.49/2–354.

slav Red Cross be permitted to distribute relief supplies to persons designated by bishops. I said this was certainly a reasonable compromise and asked him to urge Yugoslav Government to accept it. He said he would do so and would endeavor to get an answer in the near future.

RIDDLEBERGER

No. 694

768.00/6-2354

The Ambassador in Yugoslavia (Riddleberger) to the Assistant Secretary of State for European Affairs (Merchant)

TOP SECRET BELGRADE, June 23, 1954.

DEAR LIVIE: With reference to our telegram No. 1343 of June 23,[1] I am sending you an account of my second intervention with Vladimir Popovic following the Department's instructions on the Bishops' relief shipments[2] which developed into a discussion of far wider scope.

Popovic said he had now been back in Yugoslavia for several months, had reestablished contact with Yugoslav high officials, with parliamentary opinion and with public opinion as a result of having made addresses throughout the country. He said he had encountered various trends which had disturbed him; and although he could not now give me a favorable reply on the Bishops' shipments, he welcomed this opportunity to discuss with me a number of matters which he would do with frankness. He said that as an ex-Ambassador to Washington he well recognized the complex and difficult problems which faced the Eisenhower Administration, and in what he was to say there was no lack of understanding. He thought, however, that Yugoslavia had a number of problems that were not perhaps fully comprehended in Washington and on these he would give me his candid opinion.

As he traveled throughout Yugoslavia he encountered a certain nervousness about American policy, particularly the course of events at Geneva. He said the impression was growing that U.S. policy was somewhat reckless and enhanced the danger of war. I said that in face of the repeated examples of Soviet imperialism that this belief was wholly unwarranted and that our basic policy was one of defense for the free world. We could not pretend that

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[1] *Supra.*

[2] These instructions were contained in telegram 1362 to Belgrade, summarized in footnote 1, *supra.*

the aggression in Southeast Asia was imaginary, and certainly there was every indication that our policy was one of consultation and not of go-it-alone irrespective of our allies. He did not press it further; and I think this was merely an introduction for what was to come.

Popovic then stated he had some remarks on US-Yugoslav relations and with renewed apologies for frank speaking said that amongst the top Yugoslav leaders there was real concern and increasing discussion on U.S. reaction to Yugoslav policy. He had two points particularly in mind: (a) press and public reaction to Balkan military alliance and (b) the Secretary's highly negative reply to the correspondents' query on the possibility of a Tito visit to the U.S.[3]

On the military alliance, Yugoslav leaders found our attitude hard to understand. Yugoslavia, it seemed to them, was doing what the U.S. had urged many European states to do, i.e., make heavy sacrifices for the common defense. The U.S. endured no end of delay on such matters as the E.D.C., had pleasant words even for those who were most reluctant (probably an allusion to our messages to the French Government[4]), took account of Italian susceptibilities, but could find nothing good to say for a country like Yugoslavia which was now trying to formalize defense arrangements in Southeastern Europe. The Balkan military alliance was for the common good, the Yugoslav people made heavy sacrifices to maintain military strength, the Yugoslav Government had to all intents and purposes accepted the October 8 decision[5] in the common interest and had come to an agreement with the U.S.-U.K., but the general refrain from the U.S. was critical and questioning for Yugoslav defense policy that should receive warm endorsement from the U.S.

With some circumlocution but unmistakably, Popovic made it clear that Yugoslav sensibilities had been severely wounded by the Secretary's reply on the question of the Tito visit. He said the flat negative tone had led to a painful reaction among Yugoslav leaders

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[3]At his press conference on June 8, Dulles was asked whether he knew of any plans to invite Tito to the United States and he replied, "No, I don't." A copy of this verbatim excerpt from the press conference is attached to a memorandum of July 30 from Barbour to Murphy, in which Barbour said that EE had noted at the time of the press conference that the major newspapers in the United States failed to pick up the comment. Barbour concluded that the Yugoslav reaction had been prompted by the report which must have been sent to Yugoslavia by a Yugoslav press correspondent. (EUR files, lot 59 D 233, "Yugoslavia")

[4]For documentation concerning the U.S. assurances to the French Government in connection with EDC, see vol. v, Part 1, pp. 571 ff.

[5]Regarding the announcement by the United Kingdom and the United States on Oct. 8, 1953, of their intention to transfer control of Zone A of the Free Territory of Trieste to Italy, see Documents 93 ff.

who compared it to his consideration for Italy (no doubt an allusion to the Secretary's trip to Milan[6]). The Yugoslav leaders felt that their country deserved some consideration also, but the U.S. attitude seemed to be one of avoidance. No American personality of political stature had visited Yugoslavia in spite of the flow of high American officials to Europe, and there seemed to be no desire to see high Yugoslav officials in the U.S.

The Trieste dispute, Popovic continued, had had far-reaching and unfortunate effects in spite of the Yugoslav decision to accept the October 8 decision as the basis for a settlement. The military conversations in Washington[7] had not been followed up and there was no indication that anything was planned. At the very time when there should be the closest consultation between our governments, the U.S. has shown a chilly and critical attitude toward Yugoslav policies which seem to accord with basic U.S. policies and desires. Whether justified or not, this reaction has taken place amongst Yugoslav leadership and led to a debate on future Yugoslav policy.

This debate, said Popovic, was assuming forms which worried him considerably. Some leaders had begun to doubt the basic American attitude toward Yugoslavia, to fear that U.S. support was wavering, that there was no hope of an equitable settlement for Trieste on the basis of the U.S.-U.K.-Yugo agreement, that Yugoslav military policy does not seem to be fully understood or its sacrifices appreciated by the U.S., that future economic and military support seems unclear, and finally that perhaps Yugoslavia must re-assess its policy to take account of the lack of U.S. support, material and moral. This would not imply any lessened determination to defend itself, but if adopted would lead to many changes within Yugoslavia.

At this point Popovic said that after his return to his native land, he had been impressed anew by the strong Yugoslav feeling of independence and belief amongst the people that they could somehow survive. He said perhaps this is difficult to understand in the U.S., particularly in view of the grave economic difficulties facing his country. Nonetheless, many Yugoslav leaders believe that Yugoslavia can exist without U.S. help, although he was the first to pay tribute to what the U.S. had done for Yugoslavia. This help could never be underestimated and all Yugoslav leaders recognized it. He would ask us to remember that a state of mind existed

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[6]For a description of Secretary Dulles' conversation with Prime Minister Scelba in Milan, May 3, see Document 189.

[7]A summary report concerning these conversations, which took place Aug. 24–28, 1953, is in file 611.68/8–2453.

which thought that by tightening the belt and reducing the standard of living, Yugoslavia could become less dependent on the U.S.

Popovic concluded with a plea for more understanding and more contact. He hoped that U.S. could be most forthcoming in discussing common questions with Yugoslav officials. At this point he asked me suddenly where I would be in July. When I said I would be in Belgrade he was obviously relieved and said he had been on the point of making the suggestion that I remain here. He hoped that I would be authorized to have discussions of common problems with the high Yugoslav officials and that these should not be delayed. There should be a more intimate contact in which the U.S. could show its understanding of Yugoslav problems and indicate where it could give support to a foreign policy which essentially corresponded to that of the U.S.

I gave appropriate replies to the foregoing explaining how great had been U.S. material support and citing the various reassurances which I had been authorized to make since my arrival. I said that in the case of Trieste, the U.S. Government certainly recognized how far Yugoslavia had gone in making a settlement possible. I said that the U.S.-U.K. and Yugoslavia had come to an agreement on what would be an equitable settlement and that surely his Government would grant us time to negotiate with the Italians. We were just as desirous as the Yugoslavs to reach a settlement and the latter should not be too upset about what appeared in the Italian press. I then reviewed the whole economic aid picture for FY '54, including the off-shore contracts which are being or have been signed this week, and emphasized that all this certainly represented an understanding of Yugoslav needs. On the question of visits, I said that top-level visits always presented certain difficulties and problems of timing, but that I would recommend to Washington that, when possible, some high American officials visit Belgrade. I said I thought that the conclusion of the Balkan military alliance would inevitably result in closer ties, and perhaps more extensive relationships than some of his own colleagues yet realized. Once the incubus of Trieste were removed, I foresaw the development of a closer relationship in many fields. I concluded by referring to the long-term interest of the U.S. in building up the defenses of the free world and what sacrifices we had made and would continue to make to this end. I assured him that, pursuant to this aim, he would find that our attitude on the Balkan military alliance would not be disappointing to Yugoslavia. Certain problems of timing and NATO arose in this connection, but my *démarche* to Koca Popovic[8]

[8]Reference is to the *démarche* Riddleberger made to Popović on May 22; see footnote 2, Document 192.

had not meant that they were insoluble. Patience and tolerance both on Trieste and Balkan military arrangements would benefit us both in the end. I concluded by saying that I would do my best to further discussion of common problems with frankness and I was certain that the Department would approve. He then suggested several high Yugoslav officials whom I should see more often including, somewhat to my surprise, Rankovic.

In reflecting upon this conversation, which was obviously planned and cleared in advance, I do not believe for a moment that Tito is planning any basic change of policy. But I am equally sure that on the top-level the Yugoslavs are aggrieved. They are beset with economic difficulties and are again appealing to us for support. (See Tempo–Killen conversation reported separately[9]). Because of our concentration on Trieste, our *démarche* on the Balkan military alliance, the long wrangles on aid, the Yugoslavs have had cold comfort from the Embassy since my arrival here last November. It is true that in these eight months, and because of the fact that we had to get a Trieste solution approximating the October 8 decision, my interviews have been hard, tough arguments in which kind and sympathetic words have not been the rule. This has been necessary for obvious reasons, and I believe our tactics have been successful. It has left some scars, and perhaps the time has come to apply some balm.

I shall, therefore, make the effort here to establish a relationship of greater reciprocal confidence, where all high level contact is not confined to biting argumentation. I hope that the final stages of the Trieste business will not be too bitter, but I am looking farther ahead. The Balkan Alliance will be signed whether Trieste is settled or not, and this will be an important step in the integration of Yugoslavia into the Western collective defense machinery. If Trieste is also settled, the machinery through which this integration will take place will no doubt be NATO machinery. In a thousand ways, both pleasant and unpleasant to the Yugoslavs, contacts and relations on both military and political planes will be closer. I believe that we should begin to anticipate this closer relationship. In Washington, I should recommend that we be more careful not to offend Yugoslav sensibilities in our statements and that we balance our encouragement to Italy with appropriate gestures here which need not always be public. I recommend once Trieste is settled, that some high State Department official should make a visit and we should consider what high Yugoslav official could be invited to the U.S. I realize fully this presents difficult problems this year,

[9]This conversation, June 18, is described in despatch 864 from Belgrade, June 24. (868.00/6–2454)

but perhaps it is not too early to consider it. Occasional messages from the Secretary showing sympathetic interest would also help and, of course, from the President.

The Tito visit is a separate thing. Tito wants more than anything to be invited to the U.S. This, of course, would round out and crown his return to international society and label him as a fully accepted member of the club. Its importance to him makes it important to us, too. I think that we should accept the fact that it is desirable in the not too far distant future and start to think about its timing. I know the complications and dangers of such a visit and I doubt that it should take place before, say, next March, which would place it exactly two years after Tito's state visit to England. On the other hand, I wonder if it would be wise to defer the planning date beyond this span. In the meantime we can do some exchange of lesser visits and, at an appropriate time, hint that the Tito visit is not too far in the future.

I should like to hear your views on all this.[10] I am afraid I have gone into greater length than I intended.

I am sending a copy of this to Bob Murphy.

With best regards,

Sincerely yours,

JAMES W. RIDDLEBERGER

[10]No record of a response has been found in Department of State files.

No. 695

868.00/7–154 Despatch

The Ambassador in Yugoslavia (Riddleberger) to the Department of State

TOP SECRET
No. 5

BELGRADE, July 1, 1954.

Ref: Desp. 864[1]

Subject: Tempo Proposals

This is Joint FOA/Emb message.

1. The most significant feature of the Tempo proposals is the implicit request that the United States develop its aid program in terms of Yugoslavia's needs for the next several years, rather than the next year only, and design the instruments of aid to meet the special exigencies of the Yugoslav scene.

[1]Despatch 864 summarized a conversation between Killen and General Tempo on June 18. (868.00/6–2454)

2. In some ways, Tempo makes a much more realistic approach than has heretofore been the habit of the Yugoslavs. His proposals, although contemplating the $35 million in FY 55 for which Congressional approval is being sought, are unique in that they do not ask for more grant aid as such. His request for US support in a debt conference and with the IBRD on prewar debts does not involve the outlay of more appropriated funds as grant aid. His proposal for 3-4 year wheat grants is an amplification of what the YuGov has already been told of certain possibilities. Lastly, his solicitation of a long-term loan to write off short-term debt may, and undoubtedly does, stem from (a) our denial of the recent request for additional aid and (b) Mates' following of the Congressional pressures for translating grants into long-term loans.

3. Each of these requests, assuming (a) the passage of "surplus disposal" legislation which would permit approval of the wheat proposal, and (b) the availability of loanable funds in the Ex-Im Bank, probably lie within the present ability of the United States without special legislation or additional earmarking of funds for grant assistance. On these assumptions, the question would seem not so much whether funds are available as whether the United States feels the acceptance of Tempo's concrete proposals and the implications of the talks he suggests would serve our interests. This is fundamentally a political question, and as all such questions, has strong overtones which concern military and economic matters as well.

4. Here we are prompted to review our basic objectives in the military and economic fields. The military goal is simple and clear cut: to build-up and maintain a defensive strength in accord with proscribed levels and for agreed purposes.

5. The economic objectives can be stated as:

(a) to build up the economic basis of the Yugoslav economy in order to develop a capacity to support the desired military establishment, and

(b) to effect the reorientation of the Yugoslav Government and the Yugoslav economy toward a greater measure of liberalization as an inducement to popular support for the defense effort.

Our economic assistance is justified, in the economic sphere, only to the extent these objectives are advanced.

6. Yet the volume of economic assistance is of necessity only a relatively small part of the total resources available to the Yugoslav Government and may be largely negated by the inefficient utilization by the Yugoslavs of their other resources. A significant and meaningful purpose of assistance, therefore, is to encourage the Yugoslavs to so allocate their total resources as to maximize their constructive impact on Yugoslavia's defense potential. In the face

of Yugoslavia's "propensity" to invest in a utopian autarchy, only distantly related to Yugoslavia's defense potential, and the ideological stumbling blocks in its agricultural policy, the effective use of our grant aid requires that we exercise a moderating influence on many aspects of Yugoslav internal economic affairs. A chief tactical objective, therefore, is to obtain maximum influence with minimum outlay of assistance.

7. This question of maximizing influence is also closely tied in to the Tempo proposal that the two Governments jointly consider Yugoslavia's economic problems for the period of the next 3 to 4 years. . . .

8. During the early years of our aid program in this country, there was considerable uncertainty on our part as to the reliability of the Tito regime as an anti-Cominform Government. This well-founded skepticism inevitably gave birth to the "short-tether" approach. Although it has served well during the last three years, Yugoslavia's closer bonds with the West and the continued and increasingly confirmed divorcement from old Cominform ties appear to warrant a cautious extension of the time period over which we formulate our policy vis-à-vis Yugoslavia. If the Congress, by legislative enactment, authorized a three-year program of agricultural surpluses disposal the instrument for extended programming is ready at hand. Some reasonable assurances on this score would go far towards removing a chronic disequilibrium from the Yugoslav scene. In the same manner, US consideration of Yugoslavia's debt problem as it will affect its economic development over the years immediately ahead, and the readiness to give a reasonable measure of assistance in ameliorating that burden would release resources for a more rapid development of Yugoslavia's economic defense potential.

9. These are not unrealistic proposals. They *do not* run afoul of the need for annual Congressional appropriation of funds for the mutual security program. They *do not* pose a request for commitments beyond the competence or authority of the Administration. They *do* call for a willingness to relax our close rein on our stated intentions towards Yugoslavia.

10. We believe such a course would (a) further secure the resources of Yugoslavia for Western defenses; (b) induce additional steps by Yugoslavia towards closer political, military and economic ties with the West and particularly with the United States; (c) expedite the growth of the economic defense base in Yugoslavia; (d) enhance the influence of the United States in Yugoslavia's external and internal affairs; and (e) facilitate a more effective utilization of Yugoslavia's resources.

11. The United States has invested approximately one billion dollars in military and economic aid to Yugoslavia since 1950. The gradual reorientation of the FPRY has been slow, difficult and at times frustrating. But substantial progress has been made towards our political, military and economic objectives. We believe that the Yugoslavs, given the necessary encouragement, are now ready to take another step towards greater collaboration with the free world, or, in other words, towards the achievement of our stated objectives. Success in ultimately drawing Yugoslavia away from her past Cominform associates and securely aligning its strength beside that of the free world would mark not only a success in military strategy, but perhaps more significantly, a victory for Western ideals.

12. In determining the answer to the Tempo proposals the following considerations are worthy of attention:

(a) The strategic location of Yugoslavia.

(b) The determination of the Yugoslavs to maintain their national independence. (This determination is not confined to the members of the Yugoslav Communist Party.) The Cominform link was broken on this particular issue in 1948 and the likelihood of any return to a "satellite" status is most remote.

(c) The Yugoslav armed forces, numbering approximately 400,000 in uniform, with 800,000 trained reserves; accustomed to hardships, the Yugoslav soldier is tough and a first-class fighter.

(d) The growing development of the Turkish-Greek-Yugoslav Alliance holds promise for full integration of Yugoslav forces into an effective system of collective security in the Mediterranean-Southern European-Middle Eastern front, fully consistent with NATO objectives.

(e) The growing industrial potential of Yugoslavia. While it is too early to make any firm judgment concerning the ultimate results of this Yugoslav effort, sufficient evidence is already at hand to indicate that we should not sell short future Yugoslav industrial capabilities and their worth to the Western military and economic build-up.

(f) The growing tendency of the Yugoslav Government to orient itself towards the democratic countries of Western Europe in both internal and international relationships.

(g) The expanding areas of economic activity in which the Yugoslav Government is seeking U.S. advice and assistance. The remnants of the earlier resentment against consultation on internal Yugoslav developments are rapidly disappearing.

(h) The disquieting effect on the bordering satellite states of a healthy Yugoslavia, with a steadily rising standard of living. This would add fuel to the existing embers of discontent within the Soviet orbit.

(i) From a longer-range point of view, the build-up of a healthy productive economy in Yugoslavia, maintaining the present trend away from totalitarian control and improving the abnormally low

living standard of the people in Yugoslavia, would go far towards the elimination of this historical Balkan "tinder-box".

13. Many arguments can be made concerning the sins of "omission and commission" of which the Tito regime is guilty. However, the U.S. program here has not been without effect in encouraging more realistic and liberalizing attitudes toward political and economic problems. There is reason to believe that these attitudes can be cultivated and expanded through the continued and judicious use of U.S. influence, advice and assistance.

14. We therefore recommend that the Ambassador and Director/USOM be authorized to advise the appropriate officials of the Yugoslav Government that the U.S. would welcome the requested "talks" and will communicate further with the Yugoslav Government concerning the time, place and agenda of such discussions.

For the Ambassador:
JAMES S. KILLEN
Counselor of Economic Affairs

No. 696

868.00 TA/6-854: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET WASHINGTON, July 6, 1954—5:06 p.m.

18. Reference: Belgrade 1297.[2] Joint State-FOA cable. We have been giving serious consideration your request additional aid. We are particularly concerned avoid emergence conditions at this time which would impair (1) Yugoslavia's economic stability and (2) consequent contribution Yugoslavia to stability Balkan area. We have therefore been exploring all possible sources funds which might be made available cover emergency needs envisaged reftel. However, there has been no possibility secure additional aid for Yugoslavia out of defense support or other funds appropriated for FY 1954. All available funds previously committed for high priority country programs. FYI nevertheless we continuing seek fund sources. Will advise further developments. We hopeful $10 million Section 550 allotment June 28 will suffice current urgent needs.

DULLES

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[1]Drafted by Colbert and cleared with Barbour, Thurston, Kalijarvi, Alexander (APS), Ross (ED), Nolting, FitzGerald, and Leverich. Repeated to London.

[2]Not printed. (868.00/6-854)

No. 697

768.00/7-754: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State

TOP SECRET BELGRADE, July 7, 1954—1 p.m.

15. 1. Vukmanovic-Tempo asked me to call July 5 at which time he reviewed with great frankness Yugoslav B/P position and plans of Yugoslav Government for action on its part. Although Tempo laid great emphasis on plans for increasing agricultural production, he covered largely the same subject reported in Embdes 864,[1] on which we commented in Embdes 5.[2]

2. New element injected is question of time. Tempo said Yugoslav Government did not have money to meet United Kingdom credit of 1,000,000 pounds now due but extended for short period. Furthermore, as debts matured increasingly urgent to take decisions about debt conference. Logically, would be preferable to hold debt conference after bilateral talks with United States as aid possibilities, particularly if United States could promise wheat over several years, would materially affect what Yugoslav Government could propose for settlement. Immediate problem was whether Yugoslav Government should only discuss medium term credits or whole B/P situation at debt conference. If Yugoslav Government could get specific information from United States then could plan for conference. In any case, Yugoslav Government would be grateful for opportunity to discuss its present position bilaterally with United States.

3. I said Yugoslav Government requests had been transmitted to Washington but I was not yet in position to give reply. I pointed out difficulty for us at this time before aid legislation had been enacted. This led into general discussion of Yugoslav Government difficulties and possible remedies on which he was careful to make no commitments. At close of discussion I assured Tempo that we were giving Yugoslav Government problems thorough study and thanked him for his assurances on agricultural policy.

4. Preliminary quadripartite talks on debt conference about to start provided British Tridel agrees not to raise issue of mid-term debt maturities pending completion Washington-London consideration of problem. Department already informed Embassy/FOA position this matter.

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[1] See footnote 1, Document 695.
[2] Document 695.

5. Agenda for debt conference and content preliminary four-power talks will certainly be influenced by United States action on Tempo proposals reported Embdes 864. Yet we cannot give indication to British and French of these proposals pending determination of our answer. This consideration plus Yugoslav need for relief and factors cited Embdes 5 make early United States answer to Tempo highly desirable.

6. Even if precise United States position in requested talks cannot yet be determined because need for legislative action, could we advise Yugoslav Government that United States agrees to talks as soon as legislative hurdle cleared. Newspaper reports indicate agricultural surplus legislation now enacted. This might permit immediate consideration this element of Tempo proposals. Our earlier assurances to Yugoslav Government indicate possible desirability this step.

7. We repeat our awareness interlocking complexity this problem but I would appreciate indication Department's/FOA reaction to Yugoslav Government proposals to guide us here even if complete position not yet feasible.

RIDDLEBERGER

No. 698

868.00/7-754: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

SECRET WASHINGTON, July 23, 1954—9:14 p. m.

102. Ref: (1) Belgrade despatch 864, (2) Belgrade despatch 5, (3) Belgrade tel 15.[2] Joint State-FOA message.

1. Following is preliminary answer above refs. Fuller elaboration follows by pouch.[3] Your views requested.[4] Discussion these questions with Yugoslavs should not be initiated until Washington-Belgrade views concerted. At that time, question relationship these talks to Trieste and Balkan Alliance negotiations can also be considered.

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[1]Drafted by Gonlitz and Scoll (E/ED), Kleine (FOA), and Colbert and cleared with FitzGerald (S/MSA), Turnage (OFD), and Marcy and Katz (EE). Repeated to London and Paris by pouch.

[2]Regarding despatch 864, see despatch 5, Document 695. Telegram 15 is *supra*.

[3]The Department of State elaboration on its views regarding the question of possible bilateral economic discussions with Yugoslavia is in CA-897 to Belgrade, Aug. 5. (868.00/8-554)

[4]The Embassy in Belgrade submitted its detailed comments in despatch 103, Aug. 18. (868.00/8-1854)

2. Re level of participation and situs talks. Our present thinking is that discussions be handled most satisfactorily Belgrade by Ambassador and Chief OM/Y with Tempo, Crnobrnja and other YuGov officials. Note para 2 ref 1 Tempo indicated he be chief spokesman. We would keep Mates advised of progress.

3. Yugos tactic seek bilateral discussions with US for economic aid and other assistance as preliminary, if not condition, to debt conference, not received sympathetically here. Believe YuGov acting against own best interest in seeking assurances US financial assistance in advance debt conference in order determine Yugo position at conference vis-à-vis creditors. Basic continuing purpose US aid is to strengthen Yugoslav economy. Creditors at debt conference should be persuaded provide terms their debts consistent this objective. As matter of principle, use US aid to relieve Yugo creditors of burden granting more lenient terms medium-term debt objectionable to US.

4. Even if bilateral talks economic aid held, do not consider debt conference should be delayed pending their outcome. Status of economic aid FY 1955 not likely change in near future. YuGov was informed during Trieste negotiations proposed FY 1955 assistance, achievement of which depends on final Congressional action. Current expectation re mutual security legislation is for little if any latitude permit increase illustrative FY 1955 figure and in fact, reduction illustrative figure more likely. Possibility, if any, for upward revision not be known until some months current fiscal year have elapsed.

5. Applicability of Agricultural Trade Development and Assistance Act under study. FYI Three year commitment sales surplus agricultural commodities for local currency might be possible under Title I if such sales are for quantities of commodities which are in addition to usual consumption of such commodities. Additions to stock considered expanded consumption provided such additions 1) are used to maintain permanently higher stock levels or 2) will themselves be used for expanded consumption in the future. However, no such commitment can be given YuGov pending general policy determination and examination applicability Yugo case under Act. End FYI

6. Re proposal ref 1. Ex-Im grant loan to fund short-term debt. Question basic wisdom YuGov substituting dollar obligation for present soft currency debt. We and Ex-Im Bank opposed to this type refinancing and Ex-Im Bank considers it contrary to purposes and spirit of Ex-Im Bank Act.

7. Re para 5 (a) ref 1. US prepared in principle give strong support at debt conference to Yugo proposals for rescheduling by creditors of short and medium-term debt.

8. Re para 5 (b) ref 1. We anxious avoid becoming involved on Yugo behalf in prewar debt problem. Prefer leave matter Yugo, IBRD and private creditors.

DULLES

No. 699

760.5/8-1254 Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

TOP SECRET BELGRADE, August 12, 1954—7 p.m.

121. Reference Embassy telegram 11, July 5.[2] Following from Bled:[3]

1. Foreign Secretary informed me last night that Tito had received Soviet Ambassador yesterday to give reply to latter's *démarche* several weeks ago regarding normalization relations. Foreign Secretary therefore informing United States, United Kingdom, Greek and Turkish Ambassadors as follows.

2. Tito told Valkov, Yugoslav Government willing normalize relations with all countries, including USSR. Recognized that the normalization had been slow, but this could be accelerated if USSR now willing solve several problems with Yugoslav Government. Tito referred particularly to such problems as economic relations, Yugoslav children retained in USSR, treatment Yugoslav citizens in USSR. Yugoslav Government now willing discuss these problems and to move along path of normalization, but at same time made it abundantly clear that Yugoslav Government would maintain its complete independence and in addition intended to continue the close relations developed with its allies and Western friends.

3. Foreign Secretary said that Yugoslav Government had decided to defer its reply to Valkov *démarche* until after signing Balkan Alliance. He said that problems cited by Tito might give some indication of sincerity Soviet intentions in this field. He asked that this information be kept confidential.

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[1]Repeated for information to Athens, Ankara, and Moscow.

[2]Telegram 11 reported on Tito's meeting with the Soviet Ambassador several days previously. (768.5/7-554)

[3]Riddleberger was in Bled during the final negotiations leading up to the signing of the treaty by Greek, Turkish, and Yugoslav representatives.

4. I asked if Valkov had given any response and Foreign Secretary replied he had made only very general observation regarding desirability normalizing relations.

RIDDLEBERGER

No. 700

768.00/8-1854

Memorandum by the Chairman of the Operations Coordinating Board Working Group on Yugoslavia (Thurston) to the Deputy Assistant Secretary of State for European Affairs (Elbrick)[1]

SECRET [WASHINGTON,] August 18, 1954.

Subject: OCB Working Group recommendations for action vis-à-vis Yugoslavia.

Pursuant to urgent instructions of the OCB, the OCB Working Group on Yugoslavia has prepared the attached recommendations for action vis-à-vis Yugoslavia. A preliminary outline of a background study of this subject was circulated a short while ago.[2] The Working Group, after making amendments to that outline in line with suggestions from the Department and from the other agencies concerned, decided that in view of the urgent nature of the OCB requirement it would be preferable to submit recommendations which it believes are self-supporting, without producing a formal background statement to be attached thereto.

The attached recommendations are the product of the OCB Working Group, and are being circulated at this time by the various members within their agencies for comment and/or approval. When comments have been received, in the present instance by the State Department member, the Working Group will compile a revised paper to incorporate the views of all the agencies involved which will then be submitted upward in the OCB organization.

It is requested that the addressees comments be communicated on an urgent basis to Mr. Nickels, who is assuming the Chairmanship of the OCB Working Group Yugoslavia.

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[1]Drafted by Marcy.

[2]This preliminary outline was circulated to the members of the OCB Working Group on Yugoslavia under cover of a memorandum of Aug. 5 from Thurston. A copy of the preliminary outline and Thurston's memorandum were attached to a memorandum of Aug. 17 from Tyler to Thurston, in which Tyler commented on the preliminary outline and presented WE's view that the outline may have gone a little far in implying that Yugoslav suspicion and dissatisfaction toward the United States was well-founded. (Italian Desk files, lot 58 D 357, "OCB 1954")

[Attachment]

Paper Prepared by the Operations Coordinating Board Working Group on Yugoslavia[3]

SECRET [WASHINGTON,] August 13, 1954.

Problem

To reaffirm and reinforce lagging Yugoslav confidence that the West (specifically the US) is dealing fairly with Yugoslavia/Tito, appreciates the actual and potential contribution Yugoslavia is making and can make to the attainment of those objectives we have in common and—within that frame of reference—is not discriminating against Yugoslavia because of our political differences, preconceived predilections for other nations, or a "colonial" approach derivative from Yugoslavia's relative backwardness or dependence on the United States.

Recommendation

The following actions are believed feasible and their immediate implementation is recommended.

On the Part of the Department of Defense

1. Initiate planning on an urgent basis, initially within the United States Government and later if found to be desirable together with the UK and France, for the early resumption of military planning talks with the Yugoslavs with regard to . . . .

A. Once agreement in principle as to the scope and timing of the discussions with the Yugoslavs has been achieved so inform State, which will then inform the Yugoslavs in an appropriate manner that planning is actively going forward with reference to a resumption of talks.

2. Plan a formal naval courtesy visit to an appropriate Yugoslav port at the earliest possible moment.

3. Initiate planning for visits of high ranking US military personnel to Yugoslavia. Explore, in conjunction with developments vis-à-vis the Balkan Alliance, the possibility of a visit by General Gruenther in his NATO capacity on the pretext of exploring and developing the necessary relationship between the Balkan Alliance and NATO.

4. Continue and further the current JCS study[4] of the possibility of extending the Facilities Assistance Program to Yugoslavia.

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[3]Drafted by Marcy.

[4]Not further identified.

On the Part of the Foreign Operations Administration

1. Perfect plans for Mr. Stassen to visit Yugoslavia this fall (October now understood to be contemplated), and so inform the Yugoslavs at the earliest possible moment.

2. More actively encourage, particularly with our allies as necessary and appropriate, Yugoslav participation in such European organizations as EPA and ultimately OEEC.

3. As soon as administrative details permit, work out with the Yugoslavs procedure for Yugoslav participation under the ATDA Act to cover at least a three year period.

4. Actively proceed with negotiations looking towards the high level economic conversations requested by the Yugoslavs, to be held preferably in Belgrade with the participation on the US side of an individual of both economic and political stature (should these discussions coincide with Mr. Stassen's visit, consideration should be given to having him participate in at least some of the sessions).

6. [*sic*] Develop, within present budget limitations, such long range programs as that currently being negotiated between FOA and the University of Kentucky for the exchanges of persons.

On the Part of the United States Information Agency

1. Seek appropriate occasion to make public acknowledgment of Yugoslav contributions to our common objectives.

2. Exploit, with due regard to other essential factors, occasions to emphasize the aggressive character of international communism and Yugoslav actions in opposition thereto.

On the Part of the Department of State

1. Actively plan a visit by the Under Secretary of State, or by his Deputy, to Yugoslavia this fall in order to have an immediate impact on the current Yugoslav attitudes which we are endeavoring to correct, to allay the immediacy of Tito's desire to visit the US, and to lay the necessary groundwork amongst American public opinion for an eventual visit by Marshal Tito to this country.

2. Inform the Yugoslavs, as soon as the necessary clearance in principle has been obtained within this Government, that we are actively working on plans for the resumption of military conversations.

3. Work closely with Defense in preparing, and later in arranging the terms of, the resumption of the military conversations, including exploration of the possibility of bringing Italy in at this juncture.

4. Prepare, for transmission at the time the Trieste settlement is achieved and announced, messages from the President to Scelba and Tito capitalizing on the Trieste solution to encourage full cooperation between Yugoslavia and Italy in defense matters.

5. Explore with AEC and such other Governmental authorities as may be involved, the possibility of including Yugoslavia amongst those nations to cooperate in the President's proposed organization to exploit the peaceful uses of atomic energy.

6. Include Belgrade in the Secretary's itinerary on the next appropriate occasion.[5]

[5]Regarding the possibility of Dulles visiting Belgrade, probably in December 1954, see Documents 241 ff.

No. 701

868.49/8–1754

The Deputy Under Secretary of State (Murphy) to the Very Reverend Paul F. Tanner of the National Catholic Welfare Conference[1]

[WASHINGTON,] September 11, 1954.

DEAR MONSIGNOR TANNER: I greatly regret the delay in answering your letter of August 17,[2] but I did so in anticipation of a reply from the Yugoslav Embassy to our numerous representations on the American Bishops' relief project—a matter which you discussed at some length. This reply was given to us on September 2,[3] and while it is unsatisfactory, we at least know where we stand.

The Yugoslavs refuse to grant the Bishops an exception to their customs law to permit the duty free entry of the items which the Bishops wished to send via bulk shipments to designated Catholic institutions in Yugoslavia. The Yugoslavs claim that they gave a similar refusal to an American Protestant group several years ago, and that they are not prepared to discriminate in favor of Catholics as against other religious groups. After the refusal, the Protestants allegedly went to the Yugoslav Red Cross, which has duty-free entry privileges for its imports, and worked out an agreement whereby the Red Cross distributed 75% of the Protestants' shipment as the Red Cross chose, and 25% as the Protestants directed.

This latter course, say the Yugoslavs, is open to the Bishops, who might theoretically negotiate a somewhat more favorable ratio from the Red Cross, although the Yugoslav Embassy Counselor per-

[1]Drafted by Mark.

[2]Not printed. (868.49/8–1754)

[3]The Yugoslav reply was given by Nicola Mandić, Counselor of the Embassy in Washington, to Thurston, who assured Mandić that the Department of State was not linking the Bishops' project to the current Yugoslav request for large-scale wheat shipments. Thurston, however, pointed out that many Congressmen would connect the two matters and this would not make it any easier for Yugoslavia to obtain the assistance it was seeking. (868.49/9–354)

sonally supposed that such an eventuality was unlikely. In addition, the Yugoslavs reiterated that the Bishops can carry out their project with a payment of customs duties, or that they can revise their project (as to packaging, consignees and delivery dates) so as to bring it within the free entry provisions of the December 1952 American Yugoslav Gift Parcel Convention.

I have reached the reluctant conclusion that under prevailing circumstances there is nothing further to be gained by attempting to continue a discussion of this case with the Yugoslavs. Apart from numerous lower-level interventions over the past 16 months, Under Secretary Smith and I have gone over the problem thoroughly several times with two successive Yugoslav ambassadors,[4] and Ambassador Riddleberger forcefully presented our point of view at a very high level last April in Belgrade.[5] We have told them time and again that their conduct in this and similar matters prejudices the Yugoslav cause with the American people and the Congress, but they are adamant. They indicate clearly that this question involves an issue of internal policy which they are determined to carry out.

Perhaps we can have a discussion of this matter at the "patio supper" which you so kindly suggest. It would be a great pleasure for me to be your guest on an evening in the near future for which we are both free.

With warmest personal regards,

Sincerely yours,

ROBERT MURPHY

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[4]A memorandum of Smith's conversation with Ambassador Popović on Feb. 3 regarding this matter is in file 868.49/2-354. Murphy also raised the issue with Ambassador Mates on July 14; a memorandum of this conversation is in file 868.49/7-1454.

[5]See Document 691.

No. 702

110.13 MU/9-1854: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

SECRET BELGRADE, September 18, 1954—9 a. m.

222. From Murphy.[2] During lengthy conversation with Tito September 17 preliminary to discussion of Trieste[3] Tito commented *inter alia* as follows:

1. Germany. In his opinion German sovereignty should be restored and West Germany should be given right to re-arm. This should not be done on a hasty improvised basis but according to a carefully planned program. We should comprehend that USSR is determined dominate West Germany. At same time we should have no illusions that restrictions on German freedom to re-arm once established over period of time will prove more symbolic than real. Lengthy maintenance of US forces in Germany essential to success as is command by American SACEUR in NATO.

2. Soviet Union. Since Tito's break with Stalin in 1948 he has followed evolution of Soviet policy closely. He professed to have no illusions regarding it. He declared that Soviet methods change but not Soviet aims. Among their present aims is continued interference in the internal affairs of other countries including Yugoslavia. Stalin's death had not changed this fundamental Soviet policy he said.

3. Soviet-Yugoslav relations. Soviet Ambassador Valkov had approached him recently in August with many questions how Soviet-Yugoslav relations could be improved. Tito said that he told him that relations could be normalized but only on basis of no pressure on Yugoslavia, no interference in Yugoslav internal affairs and no change in friendly relations with Western Powers. Tito said he is not deceived by these overtures. There is a difference in Moscow in that since Stalin's death USSR operates as a committee but the design is about the same. In his opinion however, USSR has abandoned military aggression for the time being and is skillfully ex-

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[1]Repeated for information to London, Paris, Bonn, and Rome.

[2]Deputy Under Secretary of State Robert Murphy left Washington on Sept. 11 and arrived in Belgrade on Sept. 15 after brief stops in London, Frankfurt, and Bonn. He brought with him a letter from President Eisenhower to Tito, dated Sept. 10, and instructions designed to resolve the few remaining differences between Yugoslavia and Italy regarding Trieste. He left Belgrade on Sept. 18 and proceeded to Rome where he conferred with Italian officials regarding a Trieste settlement. Regarding Murphy's mission to Belgrade and Rome, see Documents 253 ff.

[3]Murphy's discussion of the Trieste issue with Tito is described in Document 276.

ploiting western weaknesses and indecision playing especially on French fear of the Germans.

4. Italy. Tito expressed hope for better relations with Italy.

5. India. He is looking forward to his trip to India, which was probably inspired by Mrs. Pandit's visit to Yugoslavia in June.[4]

RIDDLEBERGER

[4]See footnote 3, Document 720.

No. 703

768.5 MSP/9-1854: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State

SECRET BELGRADE, September 18, 1954—6 p. m.

227. This is joint Embassy-USOM cable.

1. Following conference of Bebler, Murphy and Riddleberger September 18,[1] Killen called on Vukmanovic and advised as follows:

(a) US Government had given serious consideration to Tempo proposal of June 18[2] for bilateral talks on general economic problem of Yugoslavia;

(b) US Government had also studied proposal of Vukmanovic of August 31[3] that, due urgency of wheat problem, this matter be discussed separately and at earliest possible time;

(c) US Government recognized the desirability of the talks proposed by Tempo on June 18 and hoped they could take place this fall;

(d) US Government recognized the growing urgency of Yugoslavia's wheat needs and, in answer to Tempo's August 31 request, was prepared to make 400,000 tons available as soon as possible to meet winter consumption needs;

(e) 150,000 tons would be provided from FY 55 economic aid funds and 250,000 from ATDA resources;

(f) 125,000 tons of the ATDA supplies would be a grant, requiring no local currency payment. The US Government reserved the right to utilize the local currency from remaining 125,000 tons in any manner it may find desirable and would be prepared to discuss such uses in any bilateral talks that may occur.

2. Tempo said he first wanted to express his thanks to the US in the name of his government and the Yugoslav people. Then he

[1]See Document 277.

[2]Vukmanović-Tempo's proposal is described in despatch 864 from Belgrade, June 24. (868.00/6-2454)

[3]Reference is apparently to the proposal Kopcok made on Aug. 31 described in telegram 175 from Belgrade, Sept. 1. (750G.00/9-154)

laughed and said he now could give the Russians an appropriate answer. He said this would ensure adequate supplies through the winter which was the greatest concern.

3. Tempo asked re timing of shipments and Killen replied that shipments would be undertaken as quickly as possible. He recognized the limitations of Yugoslav wharving and transport facilities and time would be required to make necessary shipping arrangement. He hoped shipments could start arriving by November 1 or earlier.

4. Tempo then asked about the timing and location of bilateral talks. Killen replied that he could give no firm answer to either but suggested that talks probably should not occur prior to Governor Stassen's visit to Yugoslavia, tentatively set for October 21 and 22. Some time would be necessary to make proper preparation for talks. Tempo voiced hope talks could take place in Washington shortly after Governor's visit here. He cited some of matters he hoped to discuss and Killen said US side, too, had several matters which we desired to place on table. He suggested possible desirability of preliminary discussions in Belgrade of some items US Government would like to explore in talks. Tempo reacted favorably.

5. Yugoslav Government officials were advised of importance that US action on wheat be kept strictly confidential until further advice from US Government. This was agreed.

6. At end of visit, Tempo again voiced his appreciation this action of US, saying it meant a great deal to his country.

RIDDLEBERGER

No. 704

768.5 MSP/9-2854

Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Leverich)

SECRET [WASHINGTON,] September 28, 1954.

Subject: Mr. Murphy's recent trip to Europe.

Participants: The Yugoslav Ambassador[1]
Mr. Murphy, GIM
Mr. Leverich, EE

By appointment made at his request the Yugoslav Ambassador called on Mr. Murphy this afternoon. He said that there were two matters upon which he wished to comment briefly, in the light of

[1] Leo Mates.

Mr. Murphy's recent trip to Belgrade and Rome, namely, wheat for Yugoslavia and Trieste.

With regard to the former, the Ambassador had been pleased to learn upon his return to Washington this morning from the UN that it would be only a matter of a few days before the 150,000 tons of wheat under the FY–55 aid program would begin to move and that his people had been successful in chartering ships to handle it. He was appreciative of the promptness with which we had acted to meet the acute problem facing Yugoslavia as a result of the short crop and now ventured to hope that there would be only a minimum delay in arranging for the 250,000 tons of wheat under ATDA (Agricultural Trade Development and Assistance Act) which Mr. Murphy had discussed in Belgrade. The Ambassador was sure we were familiar with the seasonal factors rendering urgent the early shipment of this wheat.

Mr. Murphy was gratified that shipment of the 150,000 tons was under way and said that we were pushing the matter of the 250,000 tons as hard as possible. He explained that there was bound to be some delay since the ATDA was a brand new law in which several agencies, including the Department, were involved, and consequently new procedures had to be worked out for its implementation. This of necessity would require a little time. He wished to assure the Ambassador, however, that we were well aware of the urgency and that the 250,000 tons would be forthcoming as rapidly as possible. He suggested that the Ambassador wire his government in this sense if he so desired. Mr. Murphy requested Mr. Leverich to telephone the Ambassador personally in New York, where he is presently serving as a member of the Yugoslav Delegation to the UN General Assembly, as soon as the procedures and timing for making the 250,000 tons of wheat available have been worked out.

As regards Trieste, the Ambassador voiced the fervent hope that at last the settlement of this very tough problem was actually at hand and that it would be finalized very soon. Mr. Murphy, commenting on the sincere, statesmanlike desire to conclude the Trieste matter which he had encountered during his trip on the part of both Yugoslav and Italian leaders, stated that as far as he could see all major obstacles to a settlement had now been eliminated and there remained only to wind up the tag ends of the negotiations in London. He hoped and believed that this could be done quickly, since announcement of a Trieste settlement would be particularly advantageous for both the Yugoslavs and the Italians at this time.

No. 705

768.5 MSP/9-2954: Telegram

The Acting Secretary of State to the Embassy in Yugoslavia[1]

TOP SECRET
PRIORITY

WASHINGTON, September 29, 1954—3:31 p. m.

320. Joint State–FOA cable. Ref: Belgrade 245, rptd London 83, Paris 61.[2]

1. Favor continuance tripartite program on political and economic grounds, and gratified indications French favorably disposed participate (also see Department's memorandum conversation September 8, 1954[3]). In April we solicited participation British and French Governments in economic program for FY 1955 and suggested French contribution equivalent four million dollars. While British publicly announced June 30 their decision not furnish further aid to Yugoslavia and consequent termination tripartite, at same time British have advised Yugoslavs and French they intend grant Yugoslavs two million pounds upon Trieste settlement being concluded. To maximum extent possible we have sought in press handling to dissociate our aid, including $20 million from FY 1954 funds for port reconstruction, from Trieste settlement and understand London telegram 5518[4] British have same intention re their two million pounds. Cover for British contribution for Trieste settlement would be continuance tripartite program. There is also important financial basis (in terms Yugoslav needs and our limited resources) for continuance general economic aid Yugoslavia by UK and France. Belgrade has indicated (Embassy telegram 1303[5]) considerable portion British two million pounds might be available over and above port and construction costs, for general economic needs Yugoslavia.

2. Department suggests procedure that, immediately following Trieste settlement, Embassy Belgrade, in coordination with British

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[1]Drafted by Colbert and cleared with EE, WE, BNA, EUR, E, and FOA. Repeated for information to London and Paris.

[2]Telegram 245, Sept. 24, reported that officials at the French Embassy in Belgrade had indicated that the French Government was favorably disposed toward the continuation of the tripartite aid program for Yugoslavia, and that if the British Government did not wish to continue the tripartite program, the French Government might be persuaded to proceed on a bilateral basis with the United States. (768.5 MSP/9-2454)

[3]This memorandum describes a conversation between Ruffin of the French Embassy and Scoll and Colbert, during which Ruffin made it clear that France had in no sense precluded the possibility of furnishing some economic assistance to Yugoslavia. (868.00/9-854)

[4]Dated June 4, not printed. (750G.00/6-454)

[5]Dated June 9, not printed. (868.10/6-954)

Embassy, reply to French Embassy approach, pointing out that our basic position remains as stated in our *Aide-Mémoire* April 5.[6] This will keep discussion in usual Tridel channel. In interests securing formal indication French concurrence it might be appropriate propose French make reply our *Aide-Mémoire* with copy to British. Believe in view time element and relative magnitudes involved you should seek agreement in principle to continue participate through contribution of approximate amount which we suggested. Do not consider fourth tripartite conference necessary to secure French and British contribution. If French persist in ratio 3 to 2 to British to which previously adhered (i.e. 3.73 million dollars) this would still be material addition our aid.

3. Comments addressees requested soonest before approach British for their views.

SMITH

[6]Document 690.

No. 706

Editorial Note

On October 5, a settlement of the Trieste dispute was reached when representatives of Italy, the United Kingdom, the United States, and Yugoslavia signed in London a memorandum of understanding and certain other agreements. For text of the memorandum of understanding, see Document 293.

No. 707

661.68/10-1354: Telegram

The Chargé in Yugoslavia (Wallner) to the Department of State[1]

SECRET BELGRADE, October 13, 1954—8 p. m.

293. I took occasion my first call on acting Foreign Secretary since Trieste settlement to ask him about apparently accelerated pace of normalization relations between Yugoslavia and Soviet bloc. He agreed that things had moved with astonishing rapidity in last few weeks culminating in a request by Soviet Ambassador to Tito, October 11 that Yugoslavia send high level trade delegate to

[1]Repeated for information to Paris, London, and Moscow and pouched to Rome, Athens, Ankara, Bucharest, Budapest, Prague, and Warsaw.

Moscow to negotiate one year government-to-government trade agreement. Tito had been expecting this request and had agreed.

Bebler then reviewed parallel activities of satellites which had sent or were sending commercial representatives to Belgrade to negotiate barter agreements. When all short-term barter agreements had been terminated, Bebler said he expected satellites would follow Russian lead in suggesting government-to-government agreements on longer terms, with possible exception Hungary and Albania. Hungary had unfavorable balance with Yugoslavia and in addition had unsettled reparations debt and Bebler said that if Hungarians did not follow others soon Yugoslavia might nudge them but would take no initiative vis-à-vis Albania.

Among Soviet gestures of reconciliation in other fields, Bebler mentioned voluntary closing down of the "clandestine" Radio Free Yugoslavia located in or near Bucharest from which Yugoslav Cominformist *émigrés* had regularly broadcast to this country, abolition of the various press organs of the Yugoslav Cominformist emigration, the recent moderate tone of the Soviet press vis-à-vis Yugoslavia and the Soviet reaction to the Trieste settlement. (Re Trieste see separate telegram.[2]) He also observed that for first time Embassies of Chinese People's Republic were acknowledging presence Yugoslav diplomats and had in some cases invited them to nationalist day parties.

Bebler recalled that Soviet Ambassador had been talking big about normalization for over year; Yugoslavs had been waiting for action; and action was suddenly appearing. I asked him if Russians were insisting on reciprocity. I was unsuccessful in drawing him re any change in Yugoslav policy toward use satellite *émigré* groups in this country. He said Yugoslav Government had acceded to two Soviet requests: (1) For visa for representative Soviet film enterprise to negotiate for reciprocal distribution of Soviet and Yugoslav films and (2) For overflight Soviet planes in Yugoslav air space. He added that request for latter had been pending for more than a year and in view overflight permitted to Western airlines and recent Soviet gestures it had been decided to give favorable answer.

I asked Bebler whether his government detected in all this, taken in conjunction with other Soviet actions of recent weeks, any basic change in basic Soviet policies. He did not answer directly but indicated his government attached greater significance to such Soviet actions as dissolution joint enterprises in satellites, principally Rumania, and Sino-Soviet agreement re Port Arthur.

WALLNER

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[2]Wallner's discussion of Trieste with Bebler was described in telegram 292 from Belgrade, Oct. 13. (750G.00/10–1354).

No. 708

768.00/10-2654

Memorandum by Raymond L. Thurston of the Office of Eastern European Affairs to the Deputy Assistant Secretary of State for European Affairs (Elbrick)[1]

SECRET [WASHINGTON,] October 26, 1954.

Subject: "Normalization" of Yugoslav-Soviet relations.

Problem:

To evaluate the significance for US policy-making purposes of the recently accelerated pace of "normalization" of relations between Yugoslavia and the Soviet orbit.

[Here follow a recapitulation of recent developments, background of the Yugoslav-Soviet split, and a "Discussion" section.]

Conclusions:

1. Nothing that has occurred to date gives any real indication that the assumption on which American policy vis-à-vis Yugoslavia is based is no longer valid. On practical matters involving Yugoslavia's security and regional defense against possible aggression, Tito's cooperation with the West is likely to be undiminished.

2. Yugoslavia will probably continue to respond favorably to Soviet bloc overtures in the economic, diplomatic and cultural fields as long as this is in Yugoslavia's own interest, does not jeopardize Yugoslavia's economic, cultural and military ties with Western nations, and does not interfere with the continued receipt of essential economic and military aid from the U.S. Cooperation with the Soviet orbit beyond this point could only be induced by a fundamental shift of Moscow's policy of dominating its satellites.

3. In Western European and world (including United Nations) diplomatic and political affairs, Yugoslavia will attempt to play a more vigorous role which may not be responsive to specific United States foreign policy goals. This is not particularly disturbing since US policy has never bargained on (and has frequently not received) Yugoslav political or diplomatic support in these questions.

4. To determine the extent to which Tito's re-evaluation of Soviet intentions and of the changed East-West cold war situation will

[1]Drafted by Mark. Copies were sent to Belgrade and Moscow and distributed to various offices and bureaus within the Department of State. This memorandum is also presumably the one referred to by Merchant in his brief letter of Oct. 29 to Allen Dulles, in which he wrote that the attached memorandum, dated Oct. 26, concerning the present situation in Yugoslavia, was the one he had mentioned to Dulles in the Secretary of State's office that noon and that it seemed to coincide closely with CIA's estimate. (EUR files, lot 59 D 233, "Yugoslavia")

affect Yugoslavia's actual collaboration with the West on the pragmatic basis evolved since 1949, US approaches to Belgrade with new proposals in the economic and military cooperation spheres might draw out the Yugoslav position on that country's prospective relations with the West during the next few years.

5. In the unlikely event that the foregoing approaches indicate the existence of Yugoslav tendencies for excessive free-wheeling between East and West or for a desire to sacrifice ties with the West in order to cultivate links with the Soviet bloc, US programs involving aid for Yugoslavia, if continued at all in these circumstances, might produce more results if applied on a discreet short-term, short-tether basis which intentionally aimed at preventing complete Yugoslav viability in the economic and military fields.

No. 709

611.68/10-2854

Memorandum by the Special Assistant to the President for National Security Affairs (Cutler) to the Secretary of State[1]

SECRET WASHINGTON, October 28, 1954.

Admiral Fechteler had a conference with the President this morning, on more or less general matters.

He expressed a very warm regard for Ambassadress Luce's service and qualifications. He agrees with her view that although we have now happily settled the Trieste matter, the process of bringing the Yugoslavs and Italians closer together will take a good deal of time and patience. He expressed the view that probably the best way to bring about such a *rapprochement* was through meetings at lower levels, rather than forcing the issue at a high level. I understand that this view, with which the President seemed to agree, is shared in the State Department.[2]

The President went on to say that, from the political point of view, he thought it was desirable to increase gradually the feeling of mutual friendliness between NATO military personnel and Yugoslav military personnel. He was not passing on the question of

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[1]In a handwritten note in the margin, William K. Scott of S/S indicated that no action was necessary on the memorandum, as Defense had already passed it to the JCS and to the U.S. element in the NATO Standing Group for guidance. This information, he noted, had been obtained from Colonel Anderson. A covering memorandum from Scott to the Secretary of State, dated Oct. 29, indicates that copies were sent to Hoover, Murphy, Bowie, and Merchant. A handwritten notation in the margin indicates that the Secretary of State saw this memorandum.

[2]A handwritten notation in the margin here, presumably by Scott, reads, "Is it?"

whether at this time, or some future time, it would be desirable for Yugoslavia formally to join NATO. He was addressing himself to measures to foster friendly feeling between the Yugoslav and NATO military. For example, why should not NATO let Yugoslav military personnel see routine NATO equipment and routine NATO military formations (without going into the nuclear or strategic fields). He felt that by such acts of courtesy, where there was no embarrassment to the country in which the courtesy was shown, the desirable goal of keeping Yugoslavia friendly to us would be fostered.

He asked me to pass this view along to you. I am sending a copy to Admiral Fechteler, and to the Secretary of Defense.

ROBERT CUTLER

No. 710

Editorial Note

The subject of Yugoslavia's relations with the Soviet Union was briefly discussed by Director of Central Intelligence Dulles at the 220th meeting of the National Security Council, October 28. Dulles said that it was now clear that Yugoslav-Soviet relations were becoming more and more normalized. This development, he stated, might require a new look at United States policy toward Yugoslavia, although he made it clear that he was not saying that Yugoslavia was likely to abandon the West and return to the Soviet bloc. Dulles indicated that he meant that the developments simply required careful consideration. The memorandum of discussion at this meeting is in Eisenhower Library, Eisenhower papers, Whitman file.

That same day President Eisenhower, in a memorandum to Secretary Dulles, asked, "Is there not some diplomatic, economic or other action that we might *now* take aimed at preventing any real *rapprochement* between the Kremlin and Tito?" Eisenhower wrote that it seemed to him that "some of the best men we can find should urgently specialize on this matter; that we must be prepared to do almost anything to keep Tito not only outside the Kremlin orbit but—so far as possible—actively on *our* side." (Eisenhower Library, Eisenhower papers, Whitman file)

In a memorandum the same day to Assistant Secretary Merchant, Dulles quoted verbatim Eisenhower's memorandum to him and added the following paragraph:

"I would like to have you get together with Bob Bowie and whoever else in the Department you think can make a real contribu-

tion and give this matter some preliminary thought and then report to me. I think it might be worth considering calling in some qualified outsiders as idea men, and I would like your recommendation on this score also."

A line was drawn through this paragraph, which may have indicated that it had been deleted from the memorandum. (EUR files, lot 59 D 233, "Yugoslavia")

No. 711

33.1100 ST/11-154

Memorandum by the Director of the Foreign Operations Administration (Stassen) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] November 1, 1954.

Subject: Yugoslavia Trip—October 24–26, 1954

I. From my conferences with Marshal Tito[2] and other officials of the Government of Yugoslavia, which have been reported in Embassy cables from Belgrade, and from my talks with the United States country team in Belgrade, I have the following impressions:

A. The Trieste settlement is looked upon as opening the way for cooperation with Italy in economic, cultural, military, and other matters on a mutually advantageous basis, moving step by step beginning with a November economic conference.

B. There is a deep conviction in the present government that the break from Soviet domination in 1948 has proven to be in the best interests of Yugoslavia, and that its neighbors, Hungary, Rumania, and Bulgaria, have not fared well under Moscow.

C. Yugoslavian agriculture is rapidly being de-collectivized and returned to private property, and the regime intends to continue to move in that direction with gradual liberalization of small business employing no more than three employees, and some easing of opposition to religion, all the while maintaining a status as a "Communist regime" working toward a "Socialist system."

D. Tito looks upon the apparent reversal of Soviet attitude toward Yugoslavia as an admission of error by the Soviet under Stalin in 1948 and considers that this will increase Yugoslavian in-

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[1]Also addressed to the Secretary of Defense, the Special Assistant to the President for National Security Affairs, and the Chairman and Executive Officer of the Operations Coordinating Board. Stassen also visited Italy Oct. 26–27 and Spain Oct. 27–29. For memoranda reporting on his visit to Italy and Spain, both dated Nov. 1, see vol. VI, Part 2, pp. 1707 and 1993, respectively. Stassen summarized the conclusions in each of the three memoranda in a separate memorandum to President Eisenhower, which he personally gave to the President on Nov. 1. (Eisenhower Library, Eisenhower papers, Whitman file)

[2]Stassen's conversation with Tito, Oct. 26, is summarized in telegram 335 from Belgrade, Oct. 26. (768.11/10-2654)

fluence among the Balkan satellites, which influence he feels is already strong and underestimated by the West.

E. Yugoslavia has at this time a strong defense position in the mountains of central Yugoslavia, has located new defense industries in these remote areas, and will never adopt any defense plan which does not include the central mountains fortress concept, the area of successful resistance in World War II.

F. Yugoslavia will be reluctant to take any step which would be interpreted to the East as reducing Yugoslavian independence and sovereignty and reducing Yugoslavian claimed influence to the East.

G. If the Western European Union develops economic objectives or programs, Yugoslavia would support a relationship of the Balkan pact group (Turkey, Greece, Yugoslavia) to this Brussels pact group in such economic matters, but not, at least in the near future, in military matters.

H. The Yugoslavian objective might be described as a "Third position through national strength," which, although different from India's "Third position through softness," nevertheless attracts Tito to visit India and talk with Nehru.

I. Tourist travel from the West is expanding and will be increasingly welcomed by the government which now recognizes its foreign exchange earning potential.

II. From these observations, I suggest informally for such consideration as may be deemed appropriate the following courses of United States action:

A. That the United States encourage Yugoslavian-Italian bilateral military talks on joint defense, with United States MAAG officials of the two countries sitting in, and perhaps with United Kingdom and perhaps French military attachés also present, and that the first such talks should not be under NATO auspices.

B. That the joint planning include both the Ljubljana gap defense and the central Yugoslav fortress defense with the development of plans for Italian units to enter Yugoslavia in the gap under certain circumstances and with Italian resupply of the central fortress from the Adriatic by sea and air.

C. That those elements of the Yugoslavian economy which are freed be assisted by the United States, through its regular assistance program, in being successful, and that the total Yugoslavian economy be assisted in a successful development in contrast to the neighbors to the East.

1. For this purpose, extend United States good offices toward the refunding of Yugoslavian debt to Germany, United Kingdom, France, and Switzerland on a long term basis, and toward the extending of additional development credits by these countries on a long term basis.

(The balance of resources and population in Yugoslavia is favorable, and an economically sound long term program can be carried out on a loan basis over a long term of years.)

D. Steady but not sharp or heavy United States pressure be applied on granting internal religious freedom.

E. The exchange of persons program for technical information be maintained and be oriented toward the significant leadership potentials within the country.

F. Regular visits to Yugoslavia by United States officials such as Robert Murphy for the purpose of continually informing, drawing out, influencing, and satisfying prestige urge, of Marshal Tito and his principal associates.

G. Tourist travel should be encouraged.

III. General Comment.

A. Two major dangers from a United States standpoint are suggested.

1. Tito and his regime may become overconfident of the strength of their position, may gradually relax their vigilance and lower their guard, and a successful violent internal blow may be struck by the Kremlin in a sudden reversal of their current "sweet words" tactics.

2. A change in Soviet leadership which removes from influence those responsible for the original policy leading to the break, and an invitation by such new leadership to Tito to take one of the top world Communist leadership positions along with Mao Tse-tung, and to revise Soviet economic policies along the lines of Yugoslavian policy, might attract Tito more than anything the West would offer.

B. There is one major favorable prospect.

1. A successful gradual evolvement of the Yugoslavian economic, political, social, and religious system in the direction of freedom, accompanied by increased flow of information and ideas from Yugoslavia to the Soviet and the Soviet bloc, might become an important factor in a favorable evolvement of the entire Soviet system over a period of years, without a world war.

C. The percentage chance of the dangers and of the asset are all considered to be small, but the implications are so far-reaching that they should be kept in mind nevertheless.

HES

No. 712

EE files, lot 67 D 238, "Miscellaneous"

Memorandum by the Assistant Secretary of State for European Affairs (Merchant) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] November 2, 1954.

Subject: Memorandum to the President on Soviet-Yugoslav relations.

Attached is a draft memorandum to the President (Tab A) on the "normalization" of Soviet-Yugoslav relations and its implications for US programs vis-à-vis Yugoslavia which has been prepared in EUR at your request.[2] The first three paragraphs of the memorandum dealing with developments in the "normalization" process and analyzing their import for US policies have been informally coordinated in substance with the Office of National Estimates, CIA, through R.

[Tab A]

Paper Prepared in the Department of State[3]

MEMORANDUM FOR THE PRESIDENT

Subject: Effect of the "Normalization" of Soviet-Yugoslav Relations on US-Yugoslav Relations.

The intense and bitter Soviet-directed campaign from June 1948 through 1952 to subvert the Tito regime in Yugoslavia and to have it replaced by one subservient to the Cominform has been gradually dying out since mid-1953. This diminution of overt Soviet hostility has also been accomplished by a slow build-up of positive gestures pleasing to Yugoslavia from the Soviet orbit. These Soviet moves to curry Yugoslavia's favor have taken place in many fields and their temp has accelerated markedly in recent months. The only positive Yugoslav counter-gesture, however, has been to allow some Soviet-orbit planes to overfly Yugoslavia to and from Albania.

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[1]Drafted by Mark.

[2]Dulles' memorandum of Oct. 28 to Merchant making this request is described in Document 710.

[3]Drafted by Mark. A handwritten notation on the source text by Roderic L. O'Connor indicates that the memorandum was not sent to the President, but that the Secretary talked to President Eisenhower along these lines on Nov. 16. No other record of Dulles' conversation with Eisenhower, Nov. 16, has been found in Department of State files or Eisenhower Library.

To Tito the switch in Soviet tactics is welcome both as a sign that he has won out over Russia's efforts to unseat him and also as a portent of more normal Yugoslav relations with neighboring states in the Soviet bloc, which could in time perhaps lead to a substantial easing of Yugoslavia's difficult economic picture. Tito believes that the so-called "new look" in Soviet foreign policy has been forced on the Russian leaders by the compulsions of their domestic problems. In his view, this has very greatly lessened the danger of Soviet-sponsored aggression in Europe. It thus opens the way for further concrete steps to reduce East-West tension and for additional efforts to evolve new forms of collaboration among Western European countries to build a strong region acting more independently of the US than formerly.

Tito's reactions appear partly sincere and partly an attempt to provide him with a little leverage in his dealings with the West. At the same time, he has explicitly stated that many important substantive issues from the past are still unsettled between Yugoslavia and the Soviet bloc, that relations cannot be restored to their pre-1948 status, that there is no sign that basic Soviet strategic objectives have changed, and that, in any event, he does not intend to sacrifice Yugoslavia's ties to the West established since 1948.

Although we must recognize that the situation calls for continuous close watching, the foregoing developments to date do not justify questioning the US policy assumption that Yugoslavia will prove an element of strength in Western plans for the defense of Southern and Southeastern Europe. Continued US action along established lines would avoid any sign either that we have allowed Moscow's unilateral gestures to stir up our suspicions of Tito and to cause us to reassess our policies towards Yugoslavia or that we are increasing our beneficence to Tito to purchase his future cooperation with the West. At the same time, it is important that following the Trieste settlement we pursue our planned programs vigorously lest any doubt enter Tito's mind that firm ties to the West are essential for the security and prosperity of Yugoslavia.

In the military sphere, the settlement of the Trieste dispute has removed the chief obstacle to the further integration of Yugoslavia into Western defense planning. At present, active consideration in the US Government is being given to pleas for bringing the NATO into closer association with the Balkan Alliance, in which Yugoslavia is the only member not also belonging to NATO. This framework should permit a greater degree of working level cooperation in military planning for the area of Southern and Southeastern Europe.

In the economic sphere, discussions of US-Yugoslav economic relations are scheduled to start in Washington on November 12 be-

tween Governor Stassen and Under Secretary Hoover on the one side and General Vukmanovic, Vice President of the Federal Executive Council, on the other. These talks will cover a wide range of Yugoslavia's domestic and foreign economic problems including the imbalance in its foreign payments, its heavy debt repayment obligations, and current and future US assistance. Our chief talking point during the discussions will involve the possibility that we may be able to offer to ship the Yugoslavs sufficient quantities of wheat under the Agriculture Trade Development Act to meet the requirements which they are expected to set forth.

While the foregoing line of action should provide convincing evidence for Tito of the positive US interest in maintaining close relations with his regime, we hold, as a reserve trump card, an invitation to Tito to visit the US. As we know from abundant indications from the Yugoslavs, this, more than anything else, could cement official relations between the two countries for a substantial period. Because such a trip, following Tito's journey to London in 1953, would mark his full acceptance into the councils of the Western world as an equal, it would also raise problems in the US due to the opposition of many Americans to according him any such recognition. Apart from the question of his personal safety thus engendered, his visit might well bring to a boil all of the relatively quiescent hostility felt in this country for a Communist dictator whose authoritarian and avowedly Communist regime is still repressing civil liberties and persecuting many clerics.

To justify the risks implicit in an invitation to Tito, very tangible advantages for the US would have to lie in prospect. Since in the present intermediate stage of US programs vis-à-vis Yugoslavia, when the outcome of military and economic discussions on future programs is not known, there are no top-level problems crying for solution, we do not face any urgency in reaching a decision on a Tito visit. However, as a move of lesser import to establish greater personal rapport between the two Governments, I am considering a visit to Belgrade as a follow-up to the highly successful visits of Governor Stassen and Mr. Murphy. In addition to discussing any major problems which might have come to the fore by the time of my visit, I would also be able to broach the subject of a trip by Tito to the US, if it then seems on balance to provide net advantages to the US.

No. 713

033.6811/11-1654

President Tito to President Eisenhower[1]

BELGRADE, November 5, 1954.

DEAR MR. PRESIDENT: My close associate and Vice-President of the Federal Executive Council Mr. Svetozar Vukmanović-Tempo is coming to the United States to discuss the economic co-operation between our two countries. I believe that these discussions will lead to the materialisation of the very beneficial exchange of views which we had on this matter with your associates and our mutual friends, Mr. Harold Stassen and Mr. Robert Murphy. Relying on your understanding and sympathies towards our people, I have asked Mr. Vukmanović to acquaint you personally with our viewpoint regarding this question.

There is no doubt that, in the past critical year, the co-operation between our countries in the economic and military fields has greatly contributed to the maintenance of peace and the prevention of aggression in this part of the world. The valuable aid which your country has been rendering to Yugoslavia, has contributed not only to the strengthening of our security, but also to the overcoming of the great economic difficulties we had to face due to the grave upheavals caused by the last war, to the unparalleled economic pressure to which we were exposed from the East, and to a series of elemental misfortunes suffered by our country in the course of the past few years.

However, regardless of these difficulties, my country and its Government have devoted and will continue to devote the necessary attention to its armed forces which, in the as yet unsettled world conditions, are the safest guarantee of independence and security. I need not emphasize, I am sure, the old truth that, in the final analysis, the military efficiency depends on the economic and political stability.

In this regard, we have exerted all our efforts and will continue to do so. As regards our economic development, we have made the

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[1]This letter was brought to the United States by Vukmanović-Tempo, who apparently forwarded it through the Yugoslav Embassy in Washington to the Department of State for transmission to the President. The letter was an enclosure to Dulles' letter of Nov. 12 to Eisenhower, in which Dulles indicated that Vukmanović-Tempo wanted Eisenhower to see the letter on Nov. 17 before he met with Eisenhower that day. No record has been found of a meeting on Nov. 17 between Eisenhower and Vukmanović-Tempo.

Vukmanović-Tempo arrived in the United States in November at the head of a delegation which included Stanislav Kopcok and Kiro Gilgorov.

utmost effort and are prepared for further privations so that the existing favorable prospects may be realised as fully and completely as possible. In the political field we have achieved an all-sided and constructive co-operation with our allies, Greece and Turkey. And, as you have stated yourself, we also exerted considerable efforts and made great sacrifices for the Trieste settlement. I believe that this process of political and military stabilization has to a great extent forced the Eastern European countries to change their policy of pressure and gradually to normalize their relations with us and our Greek and Turkish allies. However, although this decrease of tension creates certain new possibilities for the preservation of world peace, it is our opinion that it will be necessary to continue to make great efforts to achieve more lasting solutions and therefore we still must devote great attention to the requirements of security.

Having in mind your devotion to the cause of peace, security and prosperity in the world, I am deeply convinced that I may count on your personal support for the success of Mr. Vukmanović's mission.

With my warm personal greetings and best wishes,

Sincerely,[2]

[2]The source text is not signed.

No. 714

760.5/11-1654: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

SECRET BELGRADE, November 16, 1954—7 p. m.

397. For Hensel.

1. Following my consultation in Washington and Paris, I asked for an interview with Tito upon return to Belgrade. This was promptly accorded and I spent over an hour with him today. I had in mind, of course, both Deptel 2523 to London and Rome's 1844 to Department[2] as well as previous telegrams re Yugoslav association to Western Defense Organizations, and therefore did not urge any action on Tito but rather tried to ascertain his thinking.

2. I opened discussion by expressing our gratification at Trieste settlement and hope that it will lead to closer Italo-Yugo collabora-

[1]Repeated for information to Ankara, Athens, London, Paris (for USRO and Gruenther), and Rome.

[2]Neither printed.

tion in many fields. I expressed thanks for the cordial reception given Stassen here, and offered some general comment on the Tempo visit. Re latter Tito said that corn crop had not been as good as expected and that, as we knew, the wheat situation was serious. Tempo would give comprehensive explanation in Washington.

3. On normalization, I informed Tito of nature of press comment in US, said that some had been adverse, but it was also recognized that Soviet overtures represented a back-down of anti-Yugoslav campaign and is thus a tribute to Yugoslav policy. I recalled what Tito had said to Murphy and me at Brioni re long-term Soviet policy (Embtel 222, September 18[3]) asked what his present opinion was. Tito replied that Soviet possibly would like to give normalization another connotation and imply Yugoslavia was returning to where it formerly was. That was by no means Yugoslav conception of normalization which wanted no such relationship and there should be no apprehensions that Yugoslavia would return to former status. Yugoslav Government is realistic in dealing with Soviets and has received several painful lessons in course of its earlier relationship, including such matters as trade. Furthermore, in response to my inquiry of effect of normalization on Balkan military alliance, Tito said Yugoslav policy would not waver. He thought that Yugoslav determination to resist any return to an earlier relationship might cause USSR to react unfavorably but Yugoslav Government had no sentimentality in dealing with Soviets and fully intended to maintain its independence and security.

4. This brought us to latest Soviet note proposing a conference and Tito jocularly characterized it as a "hurried job". He said Yugoslav Government had not yet received an official text but from reading it in the newspapers he was struck by fashion in which all the ingredients were spelled out as in a recipe and the only thing to do was to cook the dish in accordance with Soviet ideas. Furthermore anyone could see that such a conference would be impossible to convoke on such short notice. But there was a change in USSR and West should not refuse proposals without considering every aspect of them. I recalled here what Secretary had said on November 9 about how Soviet would regard conference. Tito thought that correct but said he was convinced that internal conditions were having their effect on Soviet foreign policy. He added somewhat wryly that Yugoslavia from its own experience knew some of the bills that were now coming in for past mistakes.

. . . With reference to possibility of informal liaison arrangements, he was planning to discuss this with his military chiefs and

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[3]Document 702.

consequently had no immediate suggestions. When I asked about possibility of low-level military changes between Yugoslavia and Italy, he laughed and said let's keep this to cultural affairs at present.

6. Tito then volunteered information that there will shortly be important meeting of Defense Council where discussion of defense budget will come up. He said I was no doubt aware of the pressures to cut defense spending in view of Yugoslav economic difficulties, but that he was not ready to cede. I replied this news would be welcomed in Washington. He then referred briefly to military conversations in Washington in summer of 1953 and said this question was also coming up in Defense Council and Yugoslav Government would be in touch with us later.

RIDDLEBERGER

No. 715

033.6811/11-1854: Telegram

The Secretary of State to the Embassy in Yugoslavia[1]

SECRET
PRIORITY

WASHINGTON, November 18, 1954—7:23 p. m.

491. Embtel 405.[2] Opening meeting afternoon Nov 12 plus two meetings Nov 15 and one on morning Nov 16 were given over lengthy Tempo presentation Yugo econ situation including general review postwar developments, wheat supply situation, urgent problem short and medium-term debts, investment policies in immediate future and general balance payments prospects. There was little discussion these matters between two sides except for few questions on details and some exchange with Killen on future USOM procedures and programs Belgrade.

Our offer was presented meeting afternoon Nov 16. We proposed sale for dinars (title to go to US) of 450,000 tons wheat, ten million dollars worth cotton and one million dollars tobacco under Title One Agriculture Trade Development Act. We offered utilize dinar proceeds roughly as fol: 21% for purchase strategic materials Yugo; 10% for purchased Yugo goods for delivery third countries; 9% for miscellaneous US govt purposes; 19% for long-term dinar loan to

[1]Drafted by Mark and cleared with Leverich.

[2]Telegram 405, Nov. 18, described a Tanjug despatch which had appeared in *Borba* claiming that the talks in Washington were not going well and that the Yugoslav negotiators would shorten their stay and probably return to Yugoslavia on Nov. 19. The Embassy requested guidance as to how it should answer press queries which might be raised regarding these points. (033.6811/11-1854)

Yugos for internal econ development; 38% for purchase milit equipment in Yugo as grant to Yugo army (this not to displace MDAP dollar grants); and 3% for promotion agricultural trade. In addition, we stipulated Yugos must be ready buy 125,000 tons wheat from private US traders, and Yugos must also agree not use our wheat to depress their market prices. On medium-term debts, we advised them continue bilateral negotiations but said we would participate creditors conference if called and help Yugos to extent possible at conference. We made no comments on problems short-term debts, new OSP contracts or new IBRD loans or other loans for investments.

Tempo reaction was sharp and bitter. He characterized offer as new loan to cover current Yugo food needs which govt determined avoid if possible. He deplored lack US help or even response on other items and mentioned preference for reinstitution compulsory collections and rationing to new debts via our offer. He said our opposition to having Yugo incur new debts for investment while dictating new debts for food was "not friendly".

At meeting afternoon Nov 17 with Murphy in chair Tempo refused be persuaded our offer favorable to Yugo. He announced he and del flying from Washington Nov 18. On return Belgrade he promised present offer fairly to govt but vowed do all in his power prevent its acceptance. He stated he was returning with empty hands as Yugos had from Moscow in 1948 and implied our offer might jeopardize Yugo econ independence.

"Social meeting" arranged for evening Nov 17 with Gligorov, Kopcok and Embassy counselor Vodusek turned into intensive exploration situation. Yugos very upset because we allegedly failed appreciate gravity their econ situation, offered no help pressing debts problem, did not cover total amount wheat requested (680,000 tons), presented offer in entirely new framework of conditions and suggested terms aggravating their balance payment difficulties. We told Yugos that we willing discuss terms and urged they get Tempo call off quick departure and allow further exploration situation.

They apparently did so since plane reservations cancelled and Kopcok, Gligorov and Vodusek in working level meeting this afternoon. Too early tell revised Yugo reaction situation but Tempo level talk with Murphy and Stassen now scheduled afternoon Nov 19. In any event likely that discussions will wind up Nov 20.[3]

DULLES

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[3]At the Secretary's staff meeting, Nov. 18, Murphy reported that the Yugoslav negotiators were especially annoyed by the U.S. proposal that $1 million be used to purchase U.S. tobacco. Murphy said that the Yugoslavs had implied throughout the talks that they would have to "look elsewhere" if they could not obtain satisfactory

Continued

No. 716

Secretary's Memoranda of Conversation, lot 64 D 199, "November 1954"

Memorandum of Conversation, by the Assistant Secretary of State for European Affairs (Merchant)

CONFIDENTIAL [WASHINGTON,] November 20, 1954.

Subject: Yugoslavia

Participants: Premier Mendes-France
Ambassador Bonnet
The Secretary
Livingston T. Merchant

Mendes-France[1] mentioned to the Secretary that French relations with Yugoslavia were on the whole good. He said that he had had feelers at different times regarding a visit to Paris by Tito and now that the Trieste matter had been settled they proposed to invite Tito to visit Paris in the near future. He also mentioned that there were some tentative plans for a state visit by the Italian President to Paris soon after the turn of the year.

The Secretary then took the opportunity to describe the current economic negotiations which we were having with the Yugoslavs. M. Mendes-France seemed interested and appreciative. He mentioned the difficulty they were having over the matter of the short term credit to Yugoslavia which is in private hands. He said the Yugoslavs were behind on their amortization and the French citizens holding the obligations were making it embarrassing for the French Government to continue its contribution to tripartite aid to Yugoslavia. The Secretary indicated generally that anything the French could do in the Yugoslav financial situation would be helpful.

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arrangements with the United States. Dulles said that if the tobacco point was of great importance to Yugoslavia, the Department of State should get the Department of Agriculture overruled on this point, going to the President if necessary. (Secretary's Staff Meetings, lot 63 D 75, "November 1954") No record has been found in Department of State files or the Eisenhower Library that this point was raised with the President.

[1]For documentation regarding the visit to the United States of French Premier Pierre Mendès-France, Nov. 17–20, see vol. VI, Part 2, pp. 1139 ff.

No. 717

Conference files, lot 60 D 627, CP 399

The Director of the Foreign Operations Administration (Stassen) to the Embassy in Yugoslavia[1]

CONFIDENTIAL WASHINGTON, November 23, 1954—8:12 p. m.

Usfoto 115. Subject: Yugoslav Economic Talks. Joint State/FOA message.

I. At final meeting with Yugo delegation[2] following U.S. proposal presented:

A. Wheat and Cotton Assistance (PL480)

1. U.S. will grant 450,000 tons wheat Yugoslavia (in addition to 400,000 tons already committed) under terms similar to those applicable to previous grant aid, namely 90% for Yugoslav uses and 10% for U.S. uses. 90% counterpart will be used for purposes consistent with economic cooperation, bilateral agreement and applicable provisions PL480 which are similar to bilateral agreement. 10% portion will be utilized by U.S. in same manner as such counterpart has heretofore been utilized.

2. U.S. will, during the month of February 1955, review Yugoslav wheat availabilities prior new harvest in 1955. If these amounts inadequate meet essential minimum needs Yugoslavia, U.S. will then give friendly and careful consideration to additional wheat grant.

3. 125,000 tons under Title I in original 400,000 ton commitment will be handled on the basis outlined in para 1 above.

4. Loan provision not applicable to local currency generated by sale agricultural surpluses under Section 402 of PL665. Dinar proceeds these sales will be utilized under current counterpart procedures in accordance 90%–10% distribution pattern.

5. If Yugoslav Government wishes, it may purchase cotton for dinars up to amount of $10 million. This transaction at option Yugoslav Government and would be separate transaction from grant wheat offered above. Proceeds of such cotton sales would accrue in dinars to U.S. account for such uses as U.S. may determine. U.S. will, in considering possible expenditures of these funds, take into account current balance of payments situation of Yugoslavia.

B. Other Comments

1. *Offshore Procurement.* U.S. impression that Yugoslav performance under existing contracts excellent. With respect future contracts, U.S. must take into account reduced limits set by Congressional authorization, distribution product facilities throughout

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[1]Drafted by Kleine (FOA) and Colbert and cleared with Scoll, Killen, Ohly, Kaplan, and Stassen. Also sent to Paris by pouch.

[2]This meeting took place on Nov. 22. For text of the joint communiqué issued at the conclusion of the talks on Nov. 22, see Department of State *Bulletin*, Dec. 6, 1954, p. 869.

Europe, and ability potential producers meet standards of price, quality and delivery schedules. Yugoslav capacity produce off-shore procurement materials will be kept under constant review and it is expected Yugoslavia will continue participate in this program.

2. *Short-term Debt.* Yugo delegation has explained in general terms its proposal for Export-Import Bank loan to enable Yugoslavia liquidate short-term debt. U.S. understands this is difficult problem for Yugoslavia. As a matter of procedure, details this proposal should be presented initially to Exim Bank for consideration. Under study made by Exim Bank, not possible indicate what decision will be. FOA/W will provide assistance, if desired, as regards procedures and methods. It was emphasized that procedure will require considerable time.

3. *Creditors' Conference.* Re proposal creditors' conference, U.S. understands large part Yugo medium-term foreign debt held by private commercial enterprises, which are probably unable or unwilling fund these obligations on long-term basis. Inasmuch no such obligations held in U.S. we feel this technical problem should be handled between YuGov and those governments whose enterprises hold these obligations.

U.S. representatives have participated in talks in Belgrade, exploring problems and procedures concerning such conference. We are prepared to continue to explore these matters with YuGov in endeavor to be helpful.

4. *Other Issues.* Re other issues raised U.S. feels these will be basis further friendly talks in usual channels. These matters will be dealt with in cooperative and friendly manner.

II. Tempo stated several times U.S. assistance offered will be great help Yugoslavia and not inconsistent Yugo.

A. Concerning (1) *wheat*, he stated belief amount wheat offered insufficient because doubted possibility increase internal supplies. Will however explore all possibilities to meet shortfall. (2) *cotton*, Tempo reiterated B/P problems involved in offer. YuGov will reply after consideration. (3) *medium-term debts.* Tempo will be exploring refunding with UK, France (on return trip Belgrade) and Germany and hopes solution can be found. (4) *short-term debts*, he hopes U.S. will provide more than procedural assistance in obtaining Exim loan.

B. Tempo reported IBRD seemed sympathetic to Yugo request for loan assistance for agricultural development and Mission will be sent Belgrade to explore possibilities.

STASSEN

No. 718

411.6831/12-2254: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State

CONFIDENTIAL BELGRADE, December 22, 1954—11 a. m.

485. Reference: Department instruction A-88.[1] This is joint Embassy/FOA cable.

1. Our cable 449[2] sent following initial submission draft agreement to Kopcok, who raised only minor questions of language. We therefore assumed agreement quickly attainable.

2. Two days thereafter Kopcok reported vigorous Tempo reaction to sales principle, allegedly based on use of word "grant" in Stassen statement of November 22.[3] Tempo has made wild assertions about being "deceived" and "a denial" of US assurances given in Washington. Reaction of US representatives has, we fear, exceeded bounds of diplomatic language and following fireworks, discussions have resumed more normal course.

3. We have sought to develop language reflecting statements of Governor Stassen as accurately as possible, at same time maintaining very clearly basic concepts of Title I and legislative intent. We have repeatedly cited record of discussions, especially those of November 19[4] and statements by Tempo and Mates to illustrate clarity of Yugoslav Government understanding at that time.

4. Yugoslav Government now considering our revised draft proposal, copies of which forwarded in letters Kleine and Colbert December 20.[5]

5. Killen expecting to see Tempo again next day or two.

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[1]Instruction A-88, Dec. 2, authorized Riddleberger to negotiate an agreement with Yugoslavia covering the sale of wheat and cotton under Title I of P.L. 480. The agreement was to cover 425,000 tons of wheat and such cotton up to $10 million worth which the Yugoslav Government might wish to purchase for dinars. A copy of the draft agreement, concurred in by the Departments of Defense and Agriculture and the Foreign Operations Administration, was attached. (411.6831/12-254) On Dec. 6, a copy of the draft agreement was given to an official of the Yugoslav Embassy in Washington, who said that his government would accept the U.S. offer to sell $10 million worth of cotton. A memorandum of this conversation is in file 411.6831/12-654.

[2]Telegram 449, Dec. 8, reported that Riddleberger had submitted the draft L/C agreement to the Foreign Office and that he anticipated no difficulty in obtaining approval. (411.6831/12-854)

[3]See Usfoto 115 to Belgrade, *supra*.

[4]The Nov. 19 meeting was described in telegram 498 to Belgrade, Nov. 20. (033.6811/11-2054)

[5]Neither the letters nor the revised draft proposal has been found in Department of State files.

6. We believe Tempo, in short session with Tito, immediately on return from states and on day Tito's departure for India, gave less than full account of Washington talks and now finds himself in difficulty. Simultaneously wheat crisis approaching Yugoslav Government door step.

7. Will keep you advised.

RIDDLEBERGER

No. 719

768.00/12-2754: Despatch

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

SECRET BELGRADE, December 27, 1954.

No. 320

Ref: Embtels 483 and 496

Subject: Revival of the Djilas controversy.

In the week before Christmas in Belgrade the ghosts of things past and possibly also of things to come appeared as the case of Milovan Djilas, who was read out of the party councils on January 16 and 17 of 1954, was revived.[2] Until noon of December 27 no word of this renewed controversy had appeared in the Belgrade press or on the Yugoslav radio, and the regular Foreign Office press briefing scheduled for December 24 was cancelled, presumably because the spokesman was not prepared to answer the inevitable questions from foreign correspondents about the significance of these recent events. On the other hand, the foreign correspondents have been extremely active and a great number of stories and interpretations of events have been cabled out of Belgrade, some of which have been reported back to Yugoslavia by foreign broadcasts. The account which follows is based largely on reports made to various Embassy officers by correspondents who have interviewed the principals in this affair.

Sequence of Events

It will be recalled that at the plenum of last January Djilas and his views were defended most vigorously by Vladimir Dedijer, and in a less explicit fashion by his ex-wife, Mitra Mitrovic. Also involved was Peko Dapcevic, though less directly due largely to the

[1]Copies were sent to Ankara, Athens, Bucharest, Budapest, London, Moscow, Paris, Prague, Rome, Warsaw, and Zagreb.

[2]See Document 685.

fact that the particular article of Djilas which brought down the wrath of the Central Committee was devoted to a defense of Dapcevic's wife from the alleged snobbery and cliquish exclusiveness of the ruling group. At the time observers speculated whether Djilas' exclusion from party councils would be followed by disciplinary action against the above three, but as the months went by no direct action materialized. But Vladimir Dedijer particularly was subject to various types of discrimination, such as failure to mention him as the author of Tito's biography, avoiding personal association on public occasions, and generally placing him in coventry. Recently, however, Dedijer seemed on the road to rehabilitation when Mosha Pijade criticized the press for failure to mention his name in connection with the Tito biography and he was given a lectureship at the University of Belgrade.

Always a chronic invalid due to wartime injuries to his skull, Dedijer was recently convalescing in a sanitarium in Ljubljana when he was summoned to appear before the control commission of the Central Committee on December 17. According to Dedijer's own account, Mitra Mitrovic was also summoned at the same time and they were both asked to explain whether they still held to the views which they had expressed at the January plenum when they had appeared to be defending Djilas. Again according to Dedijer's accounts, he challenged the competence of this particular body to sit in judgment upon him, claiming that only the Central Committee as a whole constituted an appropriate forum for his case. Again according to Dedijer's account, he left the meeting after some heated exchanges and has no knowledge of what further proceedings were undertaken against Mitra Mitrovic or what her reaction thereto was. From other accounts, however, it is assumed that Mitra Mitrovic acknowledged the competence of the control commission, retracted the views she had expressed at the time of the January plenum, and, supposedly, has completely submitted to party discipline.

Presumably, Dedijer mulled over the significance of these events for three days and then approached the Associated Press correspondent in Belgrade through an intermediary with a request that the main facts of his case be made known to world public opinion without directly quoting him. This information constituted the basis of the Associated Press despatch filed on December 20. The only additional information which the Embassy obtained and which did not appear in the despatch was that Dedijer had cabled an appeal to Tito in India. This cablegram was returned to Dedijer a few days later, unsent.

After the original despatch Dedijer saw a number of other correspondents who had received the inevitable call-backs and elaborat-

ed somewhat on the original information. According to various sources, Dedijer interpreted this move against him as a part of the process of normalization of relations with the USSR. He ascribed particular significance to the fact that the control commission was presided over by Krsto Popivoda, a brother of the Major General Popivoda who had escaped to the Soviet Union at the time of the break with the Cominform and had been paraded by the Soviets as a sort of head of the Yugoslav party in exile. Dedijer's interpretation, as relayed to us by correspondents, assumed that after normalization between the governments this was a natural sequence in an attempt to normalize relations between the communist parties of the Soviet Union and Yugoslavia respectively. Since none of the three hauled up for disciplining by the party played major roles in the Cominform break, this interpretation seemed a bit strained.

In an attempt to obtain clarification of the significance of these events, several correspondents obtained interviews with Milovan Djilas himself, who is living in semi-seclusion and complete isolation here in Belgrade. Djilas promptly and emphatically scotched the theory that these events had any connection with the process of normalization of relations with Russia. To Djilas this represented a normal procedure for a communist party attempting to re-establish its monolithic character. The question of Dedijer's attitude after the Djilas case had remained equivocal. The fact that he, while still a member of the Central Committee in name, no longer enjoyed the confidence of his associates (as is indicated by the fact that he was not even invited to attend the meeting of the plenum immediately preceding Tito's departure) required clarification. Although the absence of Tito and Rankovic, who were known to be friendly toward Dedijer, may have made the time more propitious for taking this action, Djilas was convinced that it had been taken with the full knowledge and consent of both Tito and Rankovic. Djilas was of the opinion that, if Dedijer had submitted and had fully endorsed the party plenum's position regarding his (Djilas') views, the case would have been closed and Dedijer would have been on the road to rehabilitation. The fact that Dedijer chose, however, to challenge the competence of the control commission and to make his predicament public to the world press has served to revive the entire controversy. Djilas describes Dedijer as a man of considerable personal courage of an emotional type, but he is convinced that Dedijer will probably be given the same "deep freeze" treatment which he himself has received.

Djilas also believes it quite possible that Peko Dapcevic will be called before the Committee to clarity his stand. If this is not considered satisfactory, Djilas considers it quite possible that certain

punitive action will be undertaken against Dapcevic. Rumors are already widespread in Belgrade that Dapcevic is to be relieved as Chief of Staff after serving 23 months in that capacity and is to be given command of a field army.

Progress in Djilas' Views

Incidental to the light which he could cast upon the Dedijer case, the interviews with Djilas reveal a progression in his views from the position he took last January which are probably more significant for the light they cast on the internal party situation than the facts about the Dedijer case. The complete answers given by Djilas to the questions put to him by the correspondent of the *New York Times* as taken down by him through an interpreter are enclosed.[3] The *New York Times* correspondent was offered a choice by Djilas of either submitting his questions in writing and receiving in return written answers from Djilas or submitting his copy for review by Djilas before it was transmitted. Because of the time element, the *New York Times* correspondent chose the latter course, and the rough copy of this despatch as corrected by Djilas throws some interesting sidelights on the current situation.

The most significant changes of view by Mr. Djilas are:

1. He has come to the conclusion that freedom of discussion within the communist party of Yugoslavia is no longer possible.
2. The Yugoslav communist party has become Stalinist in form but not in method.
3. A new socialist party is necessary in Yugoslavia and will inevitably come, due to the basic Western orientation of the Yugoslav people.
4. Yugoslav economy is at present in a terrible mess and will not be improved until a degree of political freedom is introduced.
5. While acknowledging Tito's skill as a politician and his complete domination of the party and the country, Djilas has begun to lose some of his devotion to his former idol.

Significance

It is too early to form any firm conclusions as to what course events may take. There does not seem to be evidence of a revival of the Djilas views to the point where such views could have a marked effect upon the policy of the party and, as Djilas himself recognized, there are no organized groups outside of the party which could be the standard bearers of a new political movement. It would appear that Dedijer's precipitous action in challenging the competence of the control commission and his subsequent revelation of this incident to the press has, either by accident or design, given renewed opportunity for Djilas to spread his views before the

[3]Not printed.

world outside of Yugoslavia. Certainly Djilas, in his present state of isolation, is no longer a political influence either within the party or in the country. There is no evidence that the party intends to give him an opportunity to again become one. The question remains whether the party will feel itself compelled by the publicity given to these views abroad and the eventual repercussions at home in taking measures to effectively silence him. In the eyes of the party, he is undoubtedly a discredited politician who has lost his right to be heard in the party councils and who, in a totalitarian country, will not be given the opportunity at this time to create a movement outside of the party.

There is already considerable reaction among Foreign Office press officials, whom the foreign correspondents have queried about this matter, that the Western press is engaged in a plot to artificially create a case of political persecution. It remains to be seen whether the regime, in the absence of the strong hand and sage counsel of Tito, will be able to handle this situation in such a way as to avoid a retrogression to the more drastic methods normally employed by their Soviet communist counterparts.

For the Ambassador:
EDWIN M. J. KRETZMANN
First Secretary of Embassy

No. 720

768.00/12-2954: Telegram

The Ambassador in Yugoslavia (Riddleberger) to the Department of State[1]

SECRET BELGRADE, December 29, 1954—7 p. m.

509. Embassy's telegram 505.[2] Last night after dinner at Tempo's house he raised the subject of the Dedijer-Djilas affair. He spoke in indignant terms of Djilas's taking advantage of Tito's absence from country[3] and violating Yugoslav law. He referred to Djilas as "foreign agent" and said that such actions tend to impair unity of country and are not to be tolerated. He expressed particular concern that Dedijer and Djilas have been treated in foreign press, which he said he had studied carefully, as if they were the ones in

[1]Repeated for information to London, Paris, and Moscow and pouched to Budapest, Bucharest, Prague, Warsaw, Ankara, and Athens.

[2]Telegram 505, Dec. 29, summarized the events of the previous day relating to the Djilas-Dedijer affair. (768.00/12-2954)

[3]Tito left Yugoslavia on Nov. 29 for an extended trip, including visits to India and Egypt.

Yugoslavia who were pro-Western and complained that thus the Government has been put in position of seeming to be Cominformist, and would even more be put in such an unfavorable light if it takes measures against Dedijer and Djilas which they deserve. Vladimir Popovic broke in at this point to say, obviously for effect, that "90% of Yugoslav people" would like to see Djilas shot but that of course this would not happen. Tempo concluded by saying that policy of Yugoslavia toward West will not be affected by actions of press.

I took several occasions during discussion which, with Kopcok interpreting, must have lasted nearly an hour, to say that in view of developments of last year in which Yugoslavia's international position had been improved by Balkan Alliance, Trieste settlement, and Soviet moves toward normalization, news of this nature from Yugoslavia was bound to hit the headlines in Western press. I replied, in answer to a remark by Tempo about irresponsibility of Western press, that they did not start this controversy, it was initiated by Dedijer and that it was inevitable in nature of things that from then on press would seek to make most of it. I point out, however, that these things are often three-day sensations and are forgotten as quickly as they start and that Yugoslav Government had missed opportunity to present its case by cancelling Foreign Office press conference on December 24. I went on to say that obviously Dedijer and Djilas are individuals without an organization and constitute no threat to the regime. I emphasized that although the affair is world news, it is also exclusively an internal Yugoslav matter. After this disclaimer, I said every country faced problems of this character and added a word or two on the practical virtues of a tolerant handling of such matters.

It is obvious that governing group is exasperated and outraged by Dedijer's and Djilas's maneuver at this time, taking headlines away from Tito's trip and, more important, daring publicly to challenge regime and even briefly getting away with it. They show a definite exasperation at restraint which they feel is imposed upon them by considerations affecting their relations with West and I have no doubt that if these considerations did not exist they would promptly have disposed of Dedijer and Djilas in manner indicated both by Balkan custom and Communist practice. (Raymond of *New York Times* confidentially quotes Dedijer as saying, "If it were not for foreign press I would be hanging from the Terazija"—part of main street) Tempo's outburst was certainly calculated. It seems to have been a mixture of sounding me out and bawling West out, as well as to reassure us that their foreign policy will not be affected. He showed throughout an incapacity to understand Western reactions and way Western press behaves and is clearly judging both by

[garble] standards. I am in some doubt whether naivete of his reverence to tendency of Djilas's challenge to impair unity of country reveals a sense of insecurity on part of regime or whether it is simply typical Balkan concern over face and prestige. Perhaps two are not far different.

If Tempo's remarks represent a political Yugoslav Government decision there is good chance that both Djilas and Dedijer will receive severe jail sentences.

RIDDLEBERGER

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